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The Growth of the Refined Sugar Industry
in Mexico

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For more than half a century the refined sugar industry has been a microcosm of industrial development and the unfolding of economic policy in Mexico. During the nineteenth century Mexico was a somnolent, colonial country whose institutional controls and technological know-how were a curious hybrid of sixteenth-century Spain with underlying, immemorial Indian folkways. Three separate movements in economic policy have served to synthesize and normalize the institutional structures and to bring the Mexican economy within hailing distance of modern industrial nations.

The sugar industry sums up, for Mexico, the whole problem of industrialization, reflecting the stoppage and movement, the major outlines of economic policy, and serving as a fair index of the volume of industrial production. The first serious movement toward industrialization in Mexico had roots in the revolution of 1857 and culminated in the long reign of Díaz, a *laissez-faire* period which achieved more industrial progress than is generally credited to it. Sugar statistics of the early Porfirian period are not very precise, but according to a reasonably reliable source, the production of refined sugar increased from about twenty-five thousand tons in 1877 to 137,000 tons in 1911.¹ Most of this initial progress was, unfortunately, lost because it was made under sanctions which were not viable in the Mexican institutional structure.

¹ *El Universal*, 26 October, 1932.

The second movement for industrialization in Mexico may hardly be said to have begun before the adoption of the constitution of 1917; and, particularly in sugar, it was forced to begin at rock bottom. According to a Dutch source, the 1918 production of sugar was roughly forty-thousand long tons.² A Mexican newspaper, quoting a volume published by *Azucar, S. A.*, the Mexican sugar institute, fixes the 1916-1920 average at sixty-one thousand tons compared with the 1906-1910 average of 105,000 tons.³

This second phase of the development of the industry belongs to a general period of economic policy which may be characterized as mildly interventionist, as compared with the classical individualism of the Díaz period. In labor policy it was a period of craft unionism, concentrated principally in the cities, of social legislation which left the basic question of wages largely untouched; of an experimental and timid policy with respect to land redistribution and agricultural credit. Initially, it was, also, a time of very materially expanded domestic markets. Before the close of the period, the men of the Revolution had begun to lose their revolutionary fervor and to accumulate property, including sugar mills; but they did represent an improved living standard for a larger sector of the population than had the old hacienda-export economy with its very limited industrialization. This period of expansion reached its climax in 1932 with a new high in sugar production and a glutted market.

By 1930 the raw sugar production of Mexico had reached a figure in excess of that of pre-Revolution years, about two hundred thousand tons.⁴ But world markets were almost completely stagnant, and before the end of 1931 the banks were threatening to sell the sugar which had been hypothecated to them.⁵ And before the end of 1932, a Mexico City newspaper was denouncing the sugar trust as follows:

The tactics of the producers has consisted essentially in maintaining high prices for sugar by group action. Even before the revolution, the big mills in the Pacific area had organized . . . headed and managed by the most powerful producer in the country.⁶

² *Die Telegram*, 23 November, 1935.

³ *Excelsior*, 16 September, 1936.

⁴ *Wall Street Journal*, 25 June, 1931.

⁵ *Excelsior*, 9 November, 1931.

⁶ *El Universal*, 26 October, 1932.

By the beginning of the 1933 grinding season, the Unión Azucarera, with government blessing, had established quotas and designated inspectors to see that its members observed them.⁷ By mid-1934, Mr. Robert Glover, attaché of the American Embassy in Mexico, was quoted as giving credit to this quota system for having put the Mexican sugar industry on an excellent footing. He noted that production and sale were regulated at about two hundred thousand tons.⁸ The organization aimed at a figure of approximately 180,000 tons.

The third phase of the movement toward industrialization began with the election of President Lázaro Cárdenas in 1934. This period represents a further break with the hacienda and export-oriented colonial economy. In social welfare it was a period of minimum-wage and worker-protection economy, a period of industrial unionism in the mines and rural industries as well as in the cities. It was a period of bold land policy and daring expansion of credit, a period when the yardsticks of social welfare obscured the old Porfirista norms of expansion through individual gain. Under the double stimulus of improving general business conditions and the expansionist policy of the six-year plan, the production of refined sugar expanded by fairly regular steps to 424,000 long tons in the 1941-42 grind.⁹ This figure is more than double the average for the decade ended in 1934 and more than four times the average for the last Porfirian decade. It represents solid achievement on an expanded domestic market, a genuine lifting of the standard of consumption. The two following annual yields were 412,000 and four hundred thousand tons respectively.¹⁰ This relatively slight shrinkage is not due to any loss of productive capacity but to a boom in the markets for alcohol and flavoring sirups and to a shortage of labor in the fields. In 1944 a reputable Mexican authority placed the refinery capacity at 547,000 tons, with a possibility of adding one hundred thousand tons by means of minor additions to balance processes in the six big mills.¹¹

⁷ *Heraldo de Cuba*, 9 January, 1933.

⁸ *Excelsior*, 20 July, 1934.

⁹ *Boletín Mensual de la Dirección de la Economía Rural*, September, 1944.

¹⁰ *El Universal*, 3 January, 1944.

¹¹ *Ibid.*, 25 July, 1944.

Important as this achievement appears in raising the standard of living and health in Mexico, it must be admitted that Mexican sugar production is still an infinitesimal fraction of world sugar and an inconsiderable fraction of Mexican potential. Indeed, for a country of abundant and well-watered tropical coast lands, Mexico produces little sugar. Her consumption is also slight, in the light of her ambitions to industrialize. The consumption of refined sugar and its manufacture have been roughly synonymous since the revolution. They have in Mexico as in other parts of the world, sustained a fairly close correlation with industrialization and a rising standard of living, since the establishment of the crude sugar industry on the coast of Brazil and in the West Indies during the seventeenth century.

According to Lamborn & Co., sugar economists of worldwide reputation, world sugar consumption rose from twenty-four to twenty-eight million tons a year during the decade ended with the 1935-36 grind, and to nearly thirty-one million tons a year during the ensuing five years.¹² Somewhat less than a third of the total is accounted for by predominantly beet-sugar consuming nations. More than a quarter of world sugar is produced in Cuba and Java, two islands whose combined area does not exceed that of Mexico's Gulf-coast littoral. Nor is the area in either island largely committed to cane. Peru, in a few river valleys along the Pacific coast, regularly produced more sugar than did Mexico until quite recently. With an apparent annual per capita consumption at present of about forty-four pounds, Mexicans consume much less sugar than the approximate 110 to 120 pounds per capita consumed by English-speaking peoples. On the other hand, Mexicans consume much more than do the European Mediterranean peoples.

The area planted to cane in Mexico has always been small in the total agricultural picture of the country. The average area cultivated during the 1925-28 period was 81,809 hectares, or some two hundred thousand acres—a smaller area than the eight million acres planted to corn or the two million acres planted to beans. By 1940 the area planted to cane had expanded to 98,346

¹² Cf. *Journal of Commerce*, 27 February, 1936, and 18 March, 1940.

hectares.¹³ This is still under a quarter-million acres, exceeded by areas planted to wheat, cotton, coffee, henequén, and chickpeas, as well as corn and beans. The contribution of sugar to the economy is a major one, however, for it represents a very intensive cultivation of good land with plenty of water. Corn and beans are frequently planted on land for which no other use is feasible. In 1936 a Mexican newspaper placed the number of workers in the refineries at fifteen thousand and those employed in the fields at more than forty thousand.¹⁴

The phenomenal growth of the sugar industry during the Cárdenas administration as compared with previous achievements, has already been noted, but before launching into an account of how that expansion was achieved, it is desirable to sketch in somewhat more detail the historical background and the physical dimensions of the industry. In 1912 some 177,250 tons of sugar were produced from slightly less than two million tons of cane. A little more than two-thirds of the sugar was consumed in Mexico and the remainder exported. More than half of the installations were destroyed during the revolution, but by 1922, the country was again grinding a million and a half tons of cane for 127,780 tons of refined sugar.¹⁵ The industry continued to grow, suffering overproduction crises in 1927 and in 1931, when a new high of 246,000 tons was reached. The crisis became more acute when the 1932 production of 227,221 tons was far ahead of the fairly stable consumption of those years.

The export market was by that time fairly well reduced to quotas of previous exporters and the hundred thousand tons exported during 1932 and 1933 represented a loss of twelve million pesos.¹⁶ The theory of free competition as the bulwark of personal freedom had never made a deep impression on the Mexican sense of civic righteousness; the inevitable result of such a situation was rationalization of some sort. In 1933 Azucar, S.A., was set up with government support. Since that time, price and production

¹³ Secretario de la Economía Nacional, Director General de Estadística, *Anuario Estadístico*, 1941, p. 628.

¹⁴ *El Universal*, 8 May, 1936.

¹⁵ *Excelsior*, 1 July, 1942.

¹⁶ *Ibid.*

policies have changed occasionally, always being subjected to closer controls with each change.

One of the early attempts at rationalization was the *Estabilizadora del Precio del Azucar*. At the time of its metamorphosis into *Azucar, S. A.* it sold seven thousand tons of sugar to get capital for the Banco Azucarero.¹⁷ By 1937 the initial capital of half a million pesos had grown to a net worth of 2.3 million pesos, according to a balance sheet of that year.¹⁸ The Unión de Productores de Azúcar, latest version of the sugar trust, is alternately praised and condemned. Typical of the years when trustification seemed to have restored the industry to prosperity is a blurb in a paper which condemned it vitriolically in 1932: "mutual protection and reciprocal help have replaced competition in the sugar industry."¹⁹ Typical of the years of sugar scarcity is a half-page advertisement paid for by the Small Farmers and Cooperative Front denouncing the Union as monopolistic and as having increased its own margin of profit without increasing the cane price.

The sugar industry has shifted, to a degree, away from the irrigated lowlands of the central plateau. Morelos, near Mexico City, was once known as the Sugar Bowl of Mexico. The supremacy of the coastal areas seems unlikely to be seriously challenged again. The Province of Veracruz, on the Gulf coast, produces approximately one third of the sugar of the Republic. The second most productive area is Sinaloa, on the Pacific Coast. Tamaulipas, on the northern Gulf coast, is rapidly becoming a third area. Two of Mexico's six big mills are located near Mexico City in Puebla and in Morelos, however, and those areas are producing satisfactorily.

The number of mills has tended to decline since 1931, at which time there were 153 refineries. The number is about one hundred now. According to a newspaper story, only twenty-two refineries extract as much as ten per cent of sugar by weight from the cane milled. Some others get as little as two per cent.²⁰ Six refineries, two in Veracruz, one in Sinaloa, one in Morelos, one in Puebla, and one in Tamaulipas, produce from twenty-five to forty-five thousand

¹⁷ *Heraldo de Cuba*, 3 January, 1932.

¹⁸ *Excelsior*, 3 August, 1937.

¹⁹ *El Universal*, 8 May, 1936.

²⁰ *Excelsior*, 14 September, 1939.

tons of sugar per season and may be said to be somewhere near the technological optimum. Three belong to American nationals and two belong to the national government. Many of the small mills are one-time sirup mills, converted by the addition of a vacuum pan. Most of these produce an imperfectly refined product and are far below the technological optimum. Sixty of the plants maintain alcohol distillation units, in which a certain amount of black-strap is always converted to alcohol, and in which alcohol is also made directly from cane or from crude sugar. In this dual character of the industry lies the explanation for the decline of sugar production during the 1943 and 1944 grinds.

The period of revolutionary growth of the sugar industry began with the administration of President Cárdenas in 1934. The sugar combine, with government assistance had reduced production to little more than one hundred eighty thousand tons during 1932-33 and in 1933-34.²¹ In most other respects Cárdenas faced a stagnancy of economic activity and policy. World markets for Mexican products were extremely sluggish. Production in all fields had been greatly reduced for want of demand. No new capital commitments were being made by private enterprise on any significant scale anywhere in the world. World capitalism in general and Anglo-American capitalism in particular had lost face all over Latin America. A general revolution in economic policy to the South had been inaugurated by a half-dozen palace revolutions in 1931 and 1932. The need for immediate action was evident, but the type of policy which would rely on private industry for new construction was as impossible in Mexico as it was in the industrial countries themselves. It was beginning to be evident that the land policies of the revolution had bogged down.

Cárdenas launched out boldly to effectuate the land promises of his predecessors, to construct new industrial enterprise, and to lessen the dependence of the Mexican economy on foreign enterprise. Both land and industrial policies were important to the sugar industry. Eleven million hectares of general agricultural land had been expropriated and redistributed among 878,439 ejidatorios in 1935. By 1940, twenty-eight million hectares had been

²¹ *Boletín Mensual de la Dirección de Economía Rural*, September, 1944.

redistributed among 1,836,762 ejidatarios.²²

Very soon after the inauguration of the Cardenista policy, initiative belonged wholly to government. None of the three large American mills was expropriated, though they lost the major part of their sugar lands. Government came to control fairly directly nearly a third of the industry. Cárdenas advised industrialists who had grown weary of the struggle to turn their plants over to government. Not all sugar cane land was expropriated, though it appears likely, from the press of the period that most of it was. Foreign enterprise, though it suffered less from expropriation than did Mexican, seemed unlikely to regain its initiative and likely to become a less important part of the industry. One of the very early cases where both mill and cane lands were taken over by a workers' cooperative was that of the La Gloria mill at Jalapa, Veracruz.²³ Perhaps it should be explained at this time that the ejido was the basic cooperative type of organization. On the land it resembled the mediaeval Spanish type village and the modern Russian collective farm to some degree. Some land was held in severalty and some in common. Tractors and farm tools were frequently held in common. Credit was furnished by the federal government. The same type of organization was extended to the factories taken over, except that the whole plant was held in common, and that even closer supervision was exercised by the federal bank.

Typical of the times was the story of the Quesería Mill, of Cuauhtémoc, Colima, delivered to a cooperative along with seven thousand hectares in cane, coffee, and fruit.²⁴ Though the Los Mochis Refinery, property of the United Sugar Company, and probably the largest mill in the county, was never expropriated, its fifty thousand acres of cane lands were divided among the ejidos for cooperative farming. The New York Times story of the expropriation fairly describes what was taking place generally:

A presidential decree published in the *Diario* today expropriated more than fifty thousand acres of American-owned sugar land in Sinaloa, property of the United Sugar Company. Cárdenas is beginning to make good on his promise to distribute 571,850 acres among forty-four thousand peasants in the cane fields. The value of American lands expropriated in this manner is ten million dollars to date.²⁵

²² *Anuario de Estadística*, etc., 1941, p. 617.

²³ *El Día*, 3 December, 1935.

²⁴ *El Universal*, 1 October, 1937.

²⁵ *New York Times*, 14 February, 1939.

Many of the smaller sugar refineries were expropriated and turned over to workers' cooperatives, who contracted to indemnify the previous owners on a royalty basis. An abandoned mill at Ayotla, Oaxaca, was turned over to a cooperative with new financing.²⁶ A newspaper story of 1937 describes six mills: La Gloria, San Francisco, San Gabriel, Ayotla, Tenampa, and San Luis as fourteen-thousand-ton mills under cooperative management and frequently subject to persecutory agitation by the owners of the big refineries.²⁷ Many other small mills such as Los Bancos, near Uruápan, Providencia in Veracruz, and Huaracha in Michoacán are mentioned as having gone into cooperative hands. Other small units were built to operate cooperatively.

The bulk of the expropriation of the small mills and sugar lands appears to have taken place fairly early in the administration. The press, both in Mexico City and in New York, was eloquent during 1936 and 1937 with tense stories of accusation and petition by farm-workers and mill hands. Workers bought the mortgage on the San Francisco mill in Veracruz, paying a sum of three hundred thousand pesos for a property worth two millions²⁸ The La Providencia mill, in the same state, was taken over by the cooperative because the workers, its members, said the newspaper story, demanded more indemnities than the mill was worth.²⁹ It would be misleading to leave the impression that this large-scale transfer of economic power was without friction. Factions of workers fought for control. Planting cooperatives struggled with mill-operating cooperatives, and sometimes one or both fought the federal banks or the Ministry of Economy for control, and on more than one occasion, control was shifted back and forth between the contending federal agencies. There were accusations and counter accusations, scandals, rows, fights, petitions, and investigations.

According to all orthodox rules, the industry should have gone from bad to worse after 1936. In fact, production did falter slightly in 1937 and did not regain its 1936 level until 1939. However, pro-

²⁶ *El Nacional*, 13 December, 1935.

²⁷ *Ibid.*, 14 September, 1937.

²⁸ *Excelsior*, 5 August, 1936.

²⁹ *Ibid.*, 10 August, 1936.

duction was larger during these years than for any pre-Cárdenas year. That the recession was not due to seasonal differences may be seen from the fact that the number of hectares cultivated was less by five and six per cent than for 1936.³⁰ That any considerable proportion of the increment to sugar production came from mere expropriation and cooperation is doubtful. That turning the cane lands over to cooperatives did not lead to the disaster which the former owners and their friends expected, is perfectly plain from the figures on sugar production which may be verified in a dozen journals. It seems likely that the major contribution of the Cárdenas administration was in cultivating new lands and building new plants.

The two most notable and most constructive examples of this policy were the new mill at Zacatepec, in Morelos, and the expropriated and enlarged mill at El Mante, in northern Tamaulipas. The Emiliano Zapata mill at Zacatepec embodies all the aspirations and all the problems of the Cardenista movement for the industrialization of Mexico. Backed by the relatively large resources of government and the enthusiasm of the rejuvenated revolution, the project embodies all the idealism, all the drive of Cárdenas. Planned and initially operated by men of more social vision than practical experience in sugar production, it suffered all the strain of learning the hard way.

The project was inaugurated with much fanfare and heralded in the press of the whole continent. Its eventual capacity was placed at fifty, eighty, ninety thousand tons of sugar a year by the glowing newspaper stories. Its construction was praised as the most modern in the world by technical journals and lay newspapers alike. According to a Mexican newspaper, fourteen thousand of cooperatively cultivated lands would be available for cane.³¹ The newspaper of the revolutionary party, that is to say, of the government, predicted that the new mill would "lessen the gap between worker and peasant, now alienated under capitalism."³²

Under the auspices of the Labor and Industrial Development

³⁰ *Economía Rural, Op., cit.*, September, 1944.

³¹ *El Universal*, 25 April, 1931.

³² *El Nacional*, 7 February, 1938.

Bank, a new federal agency, the mill ran its preliminary test on March 1, 1938, in a grinding season which normally begins in early December. It produced six thousand tons of sugar and encountered all sorts of difficulties. Before many months a million pesos had disappeared and the manager and cashier were in jail.³³ Emiliano Zapata produced twenty-three thousand tons of sugar in the 1938-39 grind, operating at far below capacity during the whole season.

The highly touted refinery satisfied only one hope. The sugar tonnage was 11½ per cent of the cane weight, a very high extraction ratio. A voluminous, almost querulous publicity attended every fact of the plant's administration for nearly three years. Peasants and workers were even more estranged than "under capitalism." Every functionary and every faction involved blamed someone for the failure to meet expectations. The Cárdenas administration ended in 1940, and world capitalism had gone a long way toward recovery. The opposition press was down like a wolf on the fold. The following year the mill's production fell to twenty thousand tons and the situation grew more difficult for the hapless ejidatarios and administrators.

A capitalist critic wrote a letter to the paper denouncing the Cardenista government for having given the mill to the ejido. Concha de Villareal, staff writer for *Excelsior*, addressed him a long and sarcastic answer entitled "Zacatepec is not a gift; it is in fact a burden."³⁴ She denounced the installation as a badly located white elephant needing five hundred thousand tons of cane to run at capacity. Not all the cane in Morelos and the adjoining states would produce enough either now or evermore, she averred. For from donating the property, the Bank was charging nine per cent for its sixteen-million-peso investment.

The problem turned out to be of rather simple solution. The mill has been set down in a rice country, where irrigation, transportation, and like facilities, and the ways and means of the people were all oriented toward rice production. These rather fixed habits and facilities did not change just because a sugar mill was dropped in their midst. A presidential decree of early 1942 designated ten

³³ *Excelsior*, 7 October, 1938.

³⁴ *Ibid.*, 22 March, 1941.

new ejidos, bringing the total number of cane zones to forty-two. It was further stipulated that each ejidatario must plant fifty per cent of his acreage in cane and not more than twenty-five per cent in rice. A survey had shown sixty per cent in rice for the season in which the decree was written. Any violation of the provisions of the decree would entail suspension of credit by the federal agricultural banks operating in the area.³⁵ The production of the mill was increased to thirty-four thousand tons of sugar the following year and to almost as much for a second year.³⁶ The mill became an established institution and ceased to appear in the press.

Cooperation has had a more outstanding success in the El Mante sugar mill, near Ciudad Victoria, in the border province of Tamaulipas. The plant was built in 1931 by a Mexican corporation whose principal stockholders were men in the confidence of General Plutarco Elias Calles, ex-president and then strong man of the Republic. A credit of some millions of pesos was had from the Bank of Mexico, the federally owned central bank and pivot of economic policy. The plant went through the troubled period of balancing its processes and coordinating its resources under private management, during which period it did not prosper as its founders had hoped. It had labor troubles during the whole history of its private management, but these became so acute in 1939 as to provoke large-scale dismissal of agitators. This in turn provoked virtual expropriation. The taking over of the plant by government was legally a foreclosure as much as it was expropriation, since it was done on the basis of a debt of thirty-five million pesos owed government by the plant, largely defaulted alcohol tax payments. The appraised foreclosure value was eighteen million pesos.³⁷

Apparently led by men of considerable social vision and discipline, the ejidos of El Mante have, from the moment of expropriation, been a bright spot in a sometimes doubtful picture of cooperation. The refinery produced twenty-eight thousand tons of sugar its last year under private management. This was increased by more than a thousand tons during the first cooperative grind,

³⁵ *El Nacional*, 12 February, 1942.

³⁶ Unpublished report of management, June, 1944.

³⁷ *Excelsior*, 1 December, 1944.

1939-1940. In 1940-41, production passed thirty-three thousand tons.³⁸ El Mante became the biggest producer of the Republic with the 1941-42 season, turning out 42,572 tons of refined sugar and more than two million liters of alcohol.³⁹ A staff writer for *Excelsior* made the journey to El Mante to write up the occasion. He exalted the cooperative spirit, condemning capitalist exploitation, exulting that a pasture had been turned into a garden.⁴⁰ The government-controlled newspaper extolled El Mante as a type of the new industry in Mexican hands:

That which in the hands of capitalists was a complete failure, is in the hands of the workers a round success.⁴¹

In the meantime, the dispossessed corporation had entered suit, and on February 19 the Supreme Court issued a ruling that, The owners of El Mante sugar refinery are and must be protected against illegal expropriation.⁴²

The Chamber of Commerce hailed the decision as a redress of wrong, but the ejidatarios in the north and their congressional representatives and interested members of the press made a continuous protest during the following weeks. Not even the conservative press wished to see the ejidatarios lose the plant with which they had done so well. On April 7 the Government announced that it would buy the property for the ejidos.⁴³ The furore brought out that two million pesos had been paid by the cooperative on the principal sum, that six hundred thousand pesos worth of new equipment had been bought for cash out of earnings that a new and very modern hospital had been erected by the ejido.⁴⁴

El Mante and Emiliano Zapata are two of the six mills in Mexico which approximate the technological optimum. They are by no means the only cooperative refineries but they are the largest

³⁸ *Ibid.*, 20 March, 1942.

³⁹ *Ibid.*, 16 September, 1942.

⁴⁰ *Ibid.*

⁴¹ *El Nacional*, 1 December, 1942.

⁴² *Mexico* (organ of the Chamber of Commerce and Industries) 1 March, 1943.

⁴³ *El Universal*, 7 April, 1943.

⁴⁴ *Excelsior*, 1 December, 1944.

and by far the best documented. They represent an initiative wrested from private enterprise during a democratic collectivism that is essentially Mexican, and not exactly matched in the annals of industrial development anywhere. These cooperative mills are in the vortex of a social struggle whose intensity is little realized outside of Mexico. The rising middle class of Mexico does not cease to look with nostalgia on the days when it owned the land, hired the labor, and controlled the destinies of the ejidatarios. As they became richer from the increase of trade and the general rising standards of living and the productivity, their attitudes count for more. As a class, they are in strong reaction against the land and industrial policy of the Cárdenas administration, from which the Avila Camacho administration has given them no redress. The newspapers, with the exception of the government organ, *El Nacional* and the C.T.M., *El Poplar*, have always opposed any infringement of established economic interest. Individual staff writers exercise their enthusiasm for cooperation through the columns of *Excelsior*, but in the main the newspaper has been highly critical, as has *El Universal*.

Because of this struggle, the writer has had recourse to newspaper and trade journal statistics. All the figures have been confirmed from the opposition press or from the journals of world trade in New York, Amsterdam, London. Former rancheros and hacendados who lost their lands by expropriation are not satisfied with government figures. The writer does not share their doubts, but the study has been made as if they were justified. For the most part, the government figures, in the statistical yearbooks and the monthly bulletins of the Department of Rural Economy tend to be more conservative in their estimates of crops, grinds, and production than do the opposition newspapers. The discrepancies between the figures of the various agencies concerned are, in most cases, slight. Most of the figures included in this paper may be verified from at least four sources. In a country like Mexico, where every kilo of sugar and every liter of alcohol are carefully accounted and taxed, in cooperative and private enterprise mills alike, it is rather naive to suppose that production figures could be magnified by fraud. Any such fraud would be expensive to its maker in that he would have to account for the taxes on the fictitious production. It would be far more expensive

in the case of a cooperative, for the ejidatarios would expect an accounting of the fictitious production.

Critics of the administration imply that the current shortages, which include sugar, are due to reduced production. Scarcity, at the end of a decade during which production has doubled is an anomaly, and the claim merits examination. Refined sugar production from the last two grinds has been somewhat short of the 1941-42 season, though not short enough to account for the scarcity. Aside from surreptitious exportation, which has become increasingly difficult, two factors suggest possible leakages of serious proportions. One is the increase in alcohol production. Any efficient cane mill has an alcohol plant to utilize the blackstrap molasses which can not be granulated. Alcohol production amounted to something like ten million liters a year in the late 1920's and the early 1930's. During the latter 1930's, it increased in about the same proportion as refined sugar production. Between 1938 and 1942, the number of hours worked, the value of raw materials consumed, and the value of the product in the alcohol industry more than doubled. The number of establishments increased by twenty per cent.⁴⁵ Cane came to be a more important raw material for the stills than blackstrap. No later figures on alcohol production can be obtained at present, but it seems fair to conclude that the process of substituting profitable, mobile, uncontrolled alcohol for sugar, whose price is closely controlled, had gone much farther by 1944 than it had in 1942. This study has left piloncillo, the crude, crystal sugar of the country people unmentioned. Its consumption has not paralleled that of refined sugar, but has remained fairly stable for more than a half century, at somewhere between sixty and eighty thousand tons per year. It has become so scarce that it now brings a better price than refined sugar. It is generally believed that most of this product has for the present gone into the production of alcohol, licensed and illicit.

The mushrooming of the flavoring sirup business in Monterrey during the latter part of 1942 suggests that considerable quantities of sugar, unable to find their way across the river on account of being strictly licensed, have been converted into flavor-

⁴⁵ Director general de Estadística, Departamento de Estadísticas Continuas, *Estadística de la Industria de Alcohol, Año de 1942*, 25-27.

ing sirups for soft drink concerns buying for the market in the United States. Twenty newly established concerns whose main business was to export such sirups were taking a million pounds a month by October of 1942.⁴⁶

This paper has been mainly taken up with the last phase of the evolution of Mexican economic policy as applied to sugar, not with a view to apologizing for expropriation and cooperation, but because the more recent past is more relevant to the present and to the immediate future than is the more remote past. It has traced satisfactory progress in the expansion of the sugar industry under three types of sanctions. The future of sugar production in Mexico is limited only by willingness of the people to utilize the resources of land and water. An enormous future market is suggested by a survey of prices of sugar in the beet-sugar countries of Europe as compared with prices in the cane-sugar consuming countries, if national self-sufficiency is to yield to the principle of comparative advantage in foreign trade. Without drawing any inferences for foreign trade policy, a Mexican newspaper extracted a summary of studies of national sugar prices made by Azúcar, S. A., as of 1935.

Prices in Mexican Pesos per 100 kilos in 1935 in countries consuming beet sugar as contrasted with countries consuming cane sugar were as follows:⁴⁷

<i>Countries consuming beet sugar primarily:</i>		<i>Countries consuming cane sugar primarily:</i>	
Belgium	65.00	Perú	17.46
Spain ,.....	73.82	Cuba ,.....	21.37
France	92.50	Mexico	25.50
Holland ,.....	98.21	U. Kingdom	31.03
Austria	102.00	U. S. A.	36.32
Germany	145.80	Canada	32.25
Italy	185.00	Argentina	30.95

The future of the sugar industry in Mexico is inextricably interwoven with the future of the whole program of industrialization. So long as cooperation and the institutions of agricultural credit are severely under fire from the rising middle class, a great many things are possible. The first post-war move in the sugar industry will undoubtedly be the expansion of the El Mante plant, where government plans to duplicate the existing facilities.

⁴⁶ *Foreign Commerce Weekly* (organ of the U. S. Dept. of Commerce) 16 Jan., 1942. P. 32.

⁴⁷ *Excelsior*, 16 September, 1936.

The Founding Fathers and the Coming Peace

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The time has now come to put the bedeviled world back on its feet, and the restoration, whether by the Big Three, by the United Nations, or by some other combination of powers, will in many an important particular go against the grain with the American people. This much we assume. The United States is committed to collaboration and to collaborate means to compromise.

But how much compromise? Anything except our principles, one hears since the London Conference. "We will not give our approval to any compromise with evil," said President Truman in his Navy Day speech. But Russia may not think any more of our principles than we do of hers and effective collaboration could require a sacrifice of principles on both sides. At the very outset, if peace is to be assured, the minimum give and take required is enough to make Russia and the Anglo-Americans work together. And this prescription, of course, if Russia wants to make it so, could mean peace at any price, an extreme to which no people is willing to go.

The price of collaboration, thus, could be too high. The people are sincere in their new commitment but there is no enthusiasm for the new role. The old policy, to avoid entangling alliances, let others alone and expect others to let us alone, unsound though it may be, still carries a strong emotional appeal. By a bitter experience only have the people been convinced and convinced against their will. Collaboration to them is still a necessary evil. There is no certainty that we can avoid another war however much we compromise. Whichever way we go, we are dealing only in chances.

The commitment is already made, however, and we dare not weaken or assume the worst short of our utmost effort for the collective enterprise. Not only are we committed, we are expected to lead the way. Most envied of nations, the United States is perhaps the least enviable. There is a conspiracy of events to thrust greatness upon us against our will, perhaps even *because* it is against our will, and, whether we measure up to the assignment or not, we cannot escape great opportunities and great responsibilities.

In such a prospect we may look with profit to the American Founding Fathers. Theirs was a pioneering role just as ours now has to be. They were not for peace at any price; they fought a war with England. And, even more to the present purpose, they did find a way for the colonies to collaborate among themselves, in war and in peace.

Many an able statescraftsman has learned wisdom from the Founders. The architects of the League of Nations and of the United Nations Organization, the advocates of Union Now, and the proponents of a United States of Europe are only among the more recent of those who have come here to borrow. And nothing could be more pleasing to the people of this country than to see the high praise, long ago expressed by Gladstone and Lord Bryce, repeated and confirmed by the recent foreign minister of our good neighbor to the south, the United States of Mexico. The American Constitution, says the able and the distinguished Signor Padilla, "has been described rightly as one of the most brilliant manifestations of human intelligence."

But the Constitution is no more renowned for its intrinsic merits or its doctrinal and theoretical soundness than for its compromises with the exigencies of the occasion. It is a reported boast of General de Gaulle never to compromise on a matter of principle. The boast has a noble sound. But the condition of France between the World Wars betrayed a like loyalty to their principles on the part of others of his countrymen. Edmund Burke was a wiser man. So were the Founding Fathers. So now perhaps is General de Gaulle himself. So, indeed, is every one who really believes in putting first things first. In the present temper not merely of the United States but of the entire self-governing world, appalled by the magnitude of the task before it and oppressed of late with its incompetence for the peace as it was earlier oppressed with its unfitness for war, it is encouraging to remember how far the delegates to the American Constitutional Convention, in their efforts toward "a more perfect Union," were compelled to sacrifice their principles or compromise with their ideals. They were earthy stalwarts before history made them immortal. They bargained with the Devil in a good cause and when they couldn't get what they wanted they

took what they could get. A more flagrant compromise of more fundamental principles to better purpose would be hard to find than in the provision that five slaves should count as three white men in fixing representation in the lower house of Congress.

"An agreement with hell," said William Lloyd Garrison, because, finding slavery an established institution, the framers had thus made a place for it in the Constitution. But neither criticism nor apology is relevant without first weighing the alternative. It is only in parables that the Devil takes a man up on a high mountain and offers him the kingdoms of the earth for the dedication of his services to evil ways. In actual experience the issue is usually more troublesome and seldom so clear. In the Constitutional Convention the only choice open to the delegates was between a constitution with slavery and no constitution at all. On both horns of the dilemma there was evil. And they met that devil's dilemma by submitting a constitution pregnant with internal convulsion and civil war, because it was a constitution in which slavery, though recognized, would forever be an anomaly and from which in time it would inevitably disappear. One cannot say what choice General de Gaulle would have made. John Brown would have said no constitution. Abraham Lincoln would have taken the other and wiser course.

Explicitly the compromise to count five slaves as three white men deals with representation in Congress, not slavery. But even on that subject it would stir no echoes from Olympus. The other great compromise on representation, between the large and the small states, giving equal representation in the Senate and proportional representation in the House, could be supported on abstract and theoretical grounds, apart from the political stress out of which it arose. But not this one by which the free and the slave states were reconciled. The Northern delegate could argue with reason that since slaves were goods and chattels they should not be counted at all. The Southerner could argue with reason that they were human beings notwithstanding and therefore, a part of the population. But no rational argument could be made by either side, or even by the disinterested, that slaves were a mixture of both in 60-40 proportions. What a morsel for the obstructionists! Surely

no bigot could ever have accepted such a compromise, nor is it likely that an American Senate would ever have ratified it.

Not all the factional accommodations appear thus on the surface. Less familiar, perhaps, but equally pertinent, are those found between the lines or only in the records of the Convention. Consider two provisions on taxation, both adopted for ulterior ends. One forbids an export tax. Why such a prohibition? A tax on exports might serve the nation's purpose as well as a tax on imports, depending on its policy at a particular time. One is as appropriate as the other to the sovereign prerogative, either may be used for revenue, and one as well as the other lends itself to indirection as **an instrument of policy. In the earlier days when the country was poor, the Congress, with such a power, could have shifted some of the expenses of government from the American taxpayer to foreign consumers. More recently, it could have used the power against the some-time practice of big business to sell goods abroad more cheaply than at home. And Cordell Hull, when Secretary of State, could hardly have wished a more valuable weapon in the negotiation of his reciprocal trade agreements.**

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But the restriction was not adopted for the sake of a sound system of revenue. No, you cannot see him, but there is a Negro in that woodpile too. The larger part of the limited exports in 1787 consisted of rice, indigo, and tobacco, produced in southern states and shipped from southern ports. And the southern states feared, no doubt with good reason, that the Congress might strike indirectly at slavery by laying a burdensome duty on the exportation of its products. South Carolina, Pinckney said, had exported 600,000 pounds Sterling worth of goods in one year "all of which was the fruit of the labor of her blacks." On every ballot the southern vote was solidly against the power. Washington and Madison rose above sectionalism to support the power but they were outnumbered in the Virginia delegation. "We ought to be governed by national and permanent views," Madison pleaded. "We are not providing for the present only and time will equalize the position of the states in the matter." Foreseeing defeat, the advocates proposed that Congress have the power provided two thirds of both houses agreed, or that Congress be given the general power with

particular articles excepted, or that Congress have the power for the regulation of trade though not "for the purpose of revenue." But in vain; the prohibition was made absolute. And time proceeded to "equalize the position of the states in the matter" as **Madison had predicted. Indeed, with the development of manufacturing and industry, time tipped the scale of advantage against the South which the provision was designed to protect and in favor of the North which had opposed it.**

None of these behind-the-scenes accommodations is so engaging and none better illustrates the ingenuity of the delegates or their **facility at adaptation and compromise, than that by which they came to distinguish direct from indirect taxes.** The five-three compromise, as it appears in the Constitution, says representation "and direct taxes" shall be in proportion to population. Why taxes? Because only by including taxes could the Convention be persuaded to accept the compromise on counting slaves. As originally proposed, the compromise related only to representation in Congress. But the extremists on both sides joined their forces against the moderates and defeated the compromise. It was a critical time. Unless some means could be found to break the impasse, the Convention would have to give up and the delegates go home. Gouverneur Morris came to the rescue with a proposal that **representation and taxes be in proportion to population.** It was a brilliant stroke. In proportion as the extremists on either side would yield their position on counting slaves that side would pay less taxes and the other side would have to pay more. The proposal thus operated both ways to bring the sections together. But George Mason objected that customs duties and excises could hardly be levied on such a principle. Morris admitted the objection and amended his proposal to apply only to "direct taxes." So modified, the proposal was accepted.

But, brilliant though it was in the politics of give and take, in the science of government it was outrageous thus to divorce the national revenue from wealth and put it on the basis of numbers. Under this scheme, without the Sixteenth Amendment, persons from states low in wealth and high in population would have to pay at rates up to 20 times as high as those in states high in wealth

and low in population. And that Amendment, of course, removes the barrier of apportionment from income taxes only. A federal land tax would tax a farm in one state all the way from one to 40 times as much as farms of the same value in other states. The last direct tax collected, during the Civil War, operated so harshly that the Congress made provision to return the money to the taxpayers. It is not likely that one will ever be laid again.

No man at the Convention believed less in such a limitation than Gouverneur Morris who proposed it. Indeed, before the meetings were over, he suggested that the provision be stricken. "He had meant it only as a bridge to assist us over a gulph; and having passed the gulph the bridge may be removed." But the matter was too delicate to take up again.

Almost as bad as the scheme itself was the uncertainty of its application. The delegates had only the vaguest of notions on how to distinguish a direct from an indirect tax. In the course of the debate Rufus King asked "What was the precise meaning of direct taxation?" And Madison wrote in his Journal "No one answered." Inevitably such a provision would soon be in court. Alexander Hamilton was employed by the government as special counsel to argue the Carriage Tax Case, the first on the point before the Supreme Court. Hamilton's argument was amazing in its candor. He regretted the uncertainty in so important a matter, conceded there was no "antecedent settled legal meaning" of "direct" or "indirect" taxes, nor any "general principle which can indicate the boundary between the two," and urged that the difficulty be resolved by "a species of arbitration" so as not to involve either "absurdity" or "inconvenience."

Already chargeable to this distinction are one amendment to the Federal Constitution, two of the five-to-four cases in the United States Supreme Court holding acts of Congress unconstitutional, plus much other litigation over 150 years. And lawyers and Treasury experts still wrestle with the distinction.

When the Income Tax Amendment was in debate before the country, the late Senator Dwight Morrow, then a practicing lawyer in New York City, proposed that, instead of such partial correction, the people should strike out altogether the requirement that

direct taxes be apportioned; in other words, that Gouverneur Morris' bridge be removed, a bridge built over a "gulph" that had long since disappeared. Aside from its original contribution in bringing the sections together, this provision, like that against taxing exports, has been wholly vexatious and altogether bad. Both are unsound and were so recognized when they were adopted, but each served a vital if passing political purpose. And whenever we want to get rid of them badly enough the Constitution itself tells how it can be done.

Adaptation and compromise, accommodation, adjustment and readjustment are of the essence of the Constitution, as they are of the essence of all democratic government. Some of the delegates wanted a one-man executive, others preferred a committee. Some wanted a President chosen for a single term, others wanted him to be eligible to reelection, and still others wanted him to serve for life. Some wanted him chosen by the Senate, some by the state Governors, some by electors, and some by popular vote. This is but a sample. Throughout the Convention it was give and take. Accommodations that failed the tests of time could be amended. No delegate got less of what he wanted than Alexander Hamilton and none worked harder in his own state for ratification of the final report. And the art of accommodation was perhaps never more conspicuously in evidence, or more highly honored, than when Hamilton, in arguing the Carriage Tax Case, urged upon the Supreme Court "a species of arbitration" in the Court's interpretation of the compromise on taxation, which the Convention had adopted as an inducement to the extremists to accept the compromise on counting slaves! If there was anything discreditable about a compromise, happily those pioneers in statesmanship did not know it.

The raw materials from which a statecraftsman has to fashion his product do not admit of dogmatism, either on his own part or in the judgment of his work by others. General principles, despite the Frenchman's confidence, get in one another's way. When, for example, you look before you leap, as one principle enjoins, you may be in jeopardy of the warning, equally valid, that he who hesitates is lost. One principle teaches that a stitch in time will

save nine, while another advises us not to cross our bridges before we get to them. One says that a penny saved is a penny made, another that penny wise is pound foolish, and a third brushes them both aside with a warning about the moth and rust that corrupt earthly treasure. One assures us that coming events cast their shadows before, while another cautions that we know not what a day may bring forth; one says a man reaps as he sows and another that he should not count his chickens before they are hatched. There is no lack of principles here, all good ones, but each principle has its rival, a rivalry of which bigotry or self-interest has seldom been aware.

Nor are such dilemmas confined either to the epigrams and adages of folk-wisdom or to the more general precepts of moral conduct. They plague peace conferences as well. One of the Fourteen Points forbids that peoples should be shifted about from sovereignty to sovereignty against their will, intrinsically an excellent idea. Another stipulates for freedom of the seas and free access to the seas, also an excellent idea. But when the peacemakers after the last War got down to cases and took up the Danzig Corridor, for instance, they found the two in mortal disagreement. Free access to the seas would open the corridor to the Poles. Self-determination would have closed it for the Germans. One principle requires the freedom of the individual. Another forbids one nation to interfere in the internal affairs of another. But there are those who ask whether the Argentinians can become free save by outside intervention. There are no settled priorities among principles, nor is there anything intrinsic to the propositions themselves that will help us to choose between them.

And the facts are no easier to work with than the principles. They may be harder. There are no questions whether 2 and 2 make 4. But where is the ethnic boundary line between neighboring and overlapping peoples of different race, or the boundary line in terms of economic interests, or in terms of defense and military strategy? Or, assuming it is decided that all three factors shall be considered, in equal weight, where is the boundary line on that assumption? What is the value of historic monuments or of cultural and religious shrines for purposes of reparation or penalty? How

much indemnity can a defeated nation pay? Which is the surer mechanism to maintain the peace, a league of nations or regionalism and a balance of power? What is a democratic government? Who caused the War? And so on. The cold, hard, objective, and indisputable facts do not exist save in the minds of the uninformed. The materials with which the peacemakers have to deal are not really facts, but judgments, opinions, estimates, measurements of things for which there is no measure. They are the sort of "facts" **that men fight over and a wayfaring man, if a fool, will surely err in finding them.**

The raw materials for the peace, therefore, are indeterminate facts, matched by uncertain and overlapping principles. Human passions color them both. Those who undertake to provide either will have their troubles, but as the Danzig situation shows, the work that really does try men's souls falls upon those unhappy people who have to put the two together and make them work.

When Justice was blindfolded it was her own idea, to enable her to be objective and impartial and disinterested, so that she might hold the scales equally between man and man. But the symbolism could have been devised in satire, to insinuate that Justice, acting in the dark, never really knows what she is doing. A concrete situation can sometimes make a general principle look very foolish. A Brooklyn traffic court, some years ago, decided that a hearse was a pleasure vehicle. The blindfolded Goddess must have been shaken to the foundations of her pedestal. But there were two lanes in which traffic could pass and the ordinance stipulated that "pleasure vehicles" should use one, while "trucks, buses, and other commercial vehicles" should take the other. The court, acting without the blindfold and with more wisdom, perhaps, than those who laughed at the decision, ruled that within the meaning of this ordinance the hearse was a pleasure vehicle and did not therefore have to pass in line with the trucks and buses. The Pigeon, in *Alice in Wonderland*, insisted that Alice was a *kind of* serpent because, like a serpent, she ate eggs. The argument is not without its logic and by that logic the hearse is only a *kind of* pleasure vehicle.

Whether Russian territorial seizures, so far effected, shall be

deemed a kind of aggression, or a kind of self-defense, or merely a Churchillian kind of "holding our own," could depend on many things. So of the Arab and Jew issue in Palestine, the boundaries of a restored Poland, the predicament of the Balkan countries, the future of Germany and Japan, colonial aspirations to freedom, so of all the baffling items in the task of restoring confidence and stability to the disordered world. And Allied statesmanship, now that for better or for worse it must undertake that task, will do well to look out from behind the blindfold on occasion. Perfection or nothing in such matters means my way or none and can lead only to catastrophe. There are no good answers to many of the questions the peace conferences will have to decide. To be governed by "permanent views," in the Madison precept, is, by the example of the Founders, to bargain with the present for a distant end.

A Solution to a Problem of Government

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The recurrent instability of cabinets, in France, Germany, and other Continental European countries, in the years after World War I, has been widely deplored.

In France, for example, cabinets changed so often that in some years there were as many French cabinets as there were seasons. This resulted in repeated political turmoil and upheaval. (A cabinet, in Europe, has almost all the powers and responsibilities that a President has in the United States, as well as some additional ones.) Even, where, as in Germany, the cabinets did usually manage to last long enough for their lives to be measured in years rather than in months, their time and energies had to be continuously devoted to the problem of remaining in office, and their policies had to be keyed to their precarious tenure.

As a result, proposals have recently been made for drastic alterations in governmental institutions, in France, and elsewhere on the Continent, in order to lessen the frequency of cabinet changes in the future. Some of these plans would create greater problems than they would solve. A different plan is presented in this article.

Under the old set-up, a cabinet would have to resign whenever the Parliament failed to pass any important legislation backed by the Cabinet, or whenever the Parliament voted a lack of confidence in it. The nominal head of the state — the President or the King — would then call upon some Parliamentary leader to form a new cabinet which might obtain the support of a majority in Parliament. The new government would be subjected to the same hazards and if, on any occasion, a vote in Parliament went against it, it, too, would have to resign.

In democratically elected Parliaments in Continental Europe there is practically never a single party having a majority of the seats. Consequently, cabinets normally obtain a majority only

through the formation of a coalition of various elements. Coalitions frequently do not last long.

Some European leaders have proposed making the cabinet primarily responsible to the head of the state, as in the case of the United States. General De Gaulle is said to favor this idea. While it has been successful in our own land, this arrangement has facilitated the repeated establishment of dictatorships in most of the other nations which have adopted it. This has happened repeatedly in many Latin-American republics. Its use in European countries, where democracy is not thoroughly entrenched, is likely to produce the same results, because it concentrates the bulk of the might, power, and patronage of the nation in the hands of one man.

In Great Britain, when a cabinet is defeated it can dissolve the Parliament and call a new election. This causes British Parliaments to be wary of ousting cabinets between elections. However, it would be a dangerous device if used elsewhere. It would mean that after a cabinet has aroused the antagonism of a majority, it would proceed to rule without being checked by Parliament while the election campaign takes place. The period during which elections are held would indeed be the very worst time to have an unchecked minority government in power.

The British plan has worked well because in Great Britain a single party normally controls a majority of Parliament. In multi-party countries it would, logically, have either of two results. Unpopular cabinets would remain in office because of Parliaments' fears of new elections — or, there would be frequent elections, which would mean even greater instability than before the adoption of the plan.

Some persons have advocated a limitation upon the number of political parties. However, it is arbitrary and undemocratic to prohibit the formation of new parties! Moreover, if the electoral set-up is so designed that many conflicting groups are compelled to consolidate into a few parties, then the parties will not be cohesive units and there will be very little real party discipline. (A glance at the operation of the two-party system in the United States will illustrate this point.) If the members of a Parliament

are free to vote as they please, then cabinets will continue to be defeated at frequent intervals, even though officially there were to be only a few political parties.

We suggest, instead, that cabinets be elected by Continental European Parliaments through the passage of a resolution naming the cabinet, and that a cabinet hold office until such time as a resolution is passed naming a new cabinet. The mere election of the cabinet by Parliament would be good but would not be enough. The most important part of this plan is that a cabinet be ousted by the election of a successor and not by the passage of a vote of no confidence.

Under this plan, cabinets could not be voted out of office by an "unholy alliance" of the Right and the Left, who agree only in their opposition to the moderates. In the past, extreme Conservatives and extreme Radicals would both vote against cabinets, but would, of course, never unite in supporting a cabinet. That has been one of the fundamental causes of cabinet instability. Only this plan can eliminate it.

Moreover, under the old set-up, all parties and Parliamentary leaders who were not included in the cabinet were constantly tempted to vote against it because of the possibility that they might be admitted to the cabinet to be formed after the existing one was overthrown. The proposed plan would automatically involve revealing the composition of the new cabinet before the vote is taken. Thus the temptation would be removed for all except those actually in the new cabinet.

The fact that a cabinet could be ousted only by the election of a new cabinet would mean that changes would occur only on matters of some importance. It takes a little time to form a cabinet and therefore governments would not be ousted on the spur of the moment, or because of feeling over some individual issue.

This plan would also eliminate the "strategic power" of minority elements in a coalition to coerce the majority by threatening to withdraw. Formerly, such a withdrawal might leave the cabinet without a Parliamentary majority and was therefore a serious threat. The other groups in the coalition had either to yield to the demands of the minority or face imminent defeat. Our proposal

would preserve intact the privilege and power of a minority group to withdraw and join in forming a new majority. However, it would, in effect, prevent a minority in a coalition from using the right of withdrawal as a club with which to enforce demands against the wishes of the majority. This would be true because, under it, a cabinet could be ousted only by the election of a new cabinet.

This suggestion would, moreover, eliminate the quasi-interregnum between the defeat of an old cabinet and the obtaining of a vote of confidence by a new one.

At the same time that all these causes of instability are removed, there would be more democracy in the naming of the cabinet. Under the old set-up, one man chose the cabinet, and the representatives of the people, assembled in Parliament, could only accept or reject what had been done. This method is a relic of the days when the people struggled to limit the powers of a despotic monarch and had to accept a compromise as to the control of his cabinet. Since such compromise is no longer necessary the proposal made herein recognizes that fact. The cabinet would be elected and not appointed.

This plan unites greater stability with greater democracy. That is, indeed, a most desirable combination!

Notes on the Agricultural Fairs in the Old Northwest, 1840-1850

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The cattle show, or fair, was begun in this country in 1807 when Elkanah Watson exhibited two Merino sheep in the public square of Pittsfield, Massachusetts.¹ In 1810 he organized the Berkshire County Agricultural Society. In 1817 state aid was given to agricultural societies for holding their fairs.² The withdrawal of state aid in 1830 caused a number of these societies to disband to be revived again in the next decade. From Massachusetts the germ that caused the organization of societies and the holding of agricultural fairs spread to most of the surrounding states. New York took the lead, and from there it spread into Ohio, Indiana, Illinois, Michigan, and Wisconsin.

The first agricultural society in the northwestern states was organized in Ohio on February 22, 1819, and its first fair was held at Marietta in the autumn of 1826.³ The Hamilton County (Ohio) Agricultural Society, organized in 1820, established the pattern for societies in this region. It was reorganized in 1825 and its fairs were held at regular intervals thereafter. These societies adopted the medium of fairs at an early date to bring their messages to the people.

Oddly enough, these shows as they were conducted were misnamed.⁴ A fair, as the term was used in England where it was introduced, meant a gathering of livestock and produce for sale; while a show is the bringing of livestock and produce together for display. By this definition of terms the exhibitions of agricultural products were really shows until 1845. In that year they began to change into fairs.⁵

Ohio granted state aid to agricultural societies in 1833, and by

¹ Bidwell and Falconer, *History of Agriculture in Northern United States, 1620-1860*, 187.

² *Ibid.*

³ Burkett, *Ohio Agriculture*, 191.

⁴ *Prairie Farmer*, VI, 33.

⁵ *Ibid.*

1840 it had fifteen such societies.⁶ The state society held its annual meeting and fair October 7, 1840, at Circleville.⁷ The display of one hundred head of Durham cattle caused considerable comment. The results of the fair were so encouraging that plans were made to expand it to all sections of the State. Talk of a state-wide organization had paved the way for these plans. All events heralded the advent of a new day in farm improvement and especially stock raising in Ohio.⁸

From 1840 to 1846 the agricultural enthusiasts seem to have had a difficult task in forming agricultural societies. Most of those instituted during this period were in the hands of "literary" men, that is, men not solely dependent upon agriculture for a living. In their memoirs and transactions they put before the public periodically accounts of the best agricultural practices abroad, as well as the results of experiments in scientific agriculture by their members in this country. It was explained

that the working farmer was not prepared to receive his education in the form of treatises and pamphlets. The improvements fell almost dead upon the people, who rejected 'book farming' as impertinent and useless, and knew as little of the chemistry of agriculture as of the problems of astronomy.⁹

Some of the fairs held in Ohio in 1841 were: the Hamilton County Fair at Carthage in September; the Seneca County Fair at Tiffin in October; and the Lake County Agricultural Fair at Plainsville on October 19 and 20. There was a fine display of cattle, but the three teams of oxen of thirty-six, thirty-four, and thirty-five yoke each were considered a show in themselves. The plowing match was an outstanding feature of this show and throughout the period, at every show the event is mentioned.¹⁰ The exhibit

⁶ Bidwell and Falconer, *History of Agriculture in Northern United States, 1620-1860*, 194.

⁷ *The Cultivator*, VII, 177.

⁸ Burkett, *Ohio Agriculture*, 96.

⁹ Bidwell and Falconer, *History of Agriculture in Northern United States*, 184.

¹⁰ *The Cultivator*, IX, 11.

of domestic manufacturers comes in for its share of the praise. Fairs listed for other states in 1841 were: Monroe County Agricultural Fair at Monroe, Michigan, September 28; Putnam County Agricultural Fair at Spring Valley Farm, Indiana, October 5; Farmers Agricultural Society Fair of Upper Mississippi Valley at Galena, Illinois, October 5 and 6; Union Agricultural Society Fair at Aurora, Illinois, October 19; and the Winnebago County Agricultural Society Fair at Rockford, Illinois in the autumn.

Undoubtedly, other fairs were held in this section in 1841, but this list is proof that in three of the five northwestern states agricultural fairs were held at this time. The Union Agricultural Society was an active union society of the counties of northern Illinois. In 1840 this society founded the *Prairie Farmer* which it published until 1845, when Mr. John S. Wright of Chicago took over the journal and continued it as a private enterprise.¹¹

By 1842 the press was encouraging agricultural societies and fairs as the following optimistic note indicates:

Farmers of our Western States and territories seem to appreciate fully the necessity of an improved system of husbandry, and are organizing agricultural societies and circulating agricultural papers with as much spirit and energy as their brethren in older sections of the Union. A Territorial Agricultural Society has been organized in Wisconsin, which promises to do much for the promotion of the good cause in that territory.¹²

Many farm journals of this period, including the *Prairie Farmer*, were sent free to the members of the various agricultural societies.

Judging from the accounts, few fairs were held in 1843 and 1844. An editorial commenting on their absence says the winters of 1843 and 1844 were unusually severe.¹³ The fruits and vegetables were of such poor quality that they were not suitable for display and a good many of the animals—swine, sheep and cattle, either died or were killed for food. Certainly the discouraging winters must have contributed to the farmers' lack of interest in fairs.

Musical entertainment at fairs probably originated at the Lake County Agricultural Society fair held at Medina, Ohio. The report

¹¹ Information given by Mr. Arthur Keller, Librarian of H. F. McCormick Library.

¹² *The Cultivator*, IX, 72.

¹³ *Prairie Farmer*, VII, 183.

states that the procession of "wagons and carriages filled with ladies, was preceded by bands of music."¹⁴

The Hamilton County Agricultural Society had its constitution "organized under the general laws of Ohio 1844." It held its annual fair and exhibition that year on the farm of Ebenezer Stephens Esq. adjoining the town of Mt. Pleasant, Ohio.¹⁵ The premiums given ranged from ten dollars, the most valuable award, to a certificate, probably the least valuable award, for first place in a particular event. Awards were given in the following classes of exhibits: horses, cattle, hogs, silk, farm implements, agricultural products, butter, cheese, honey, domestic manufactures, saddles and harness, and the ploughing match.

The Society entered a new field in 1844 when it provided for an agricultural survey of Hamilton County.¹⁶ For the work it employed A. Randall, editor of *Plow Boy*, and Charles Whittlesy, Esq., formerly with the Geological Survey of Ohio. A number of editorial comments called the attention of other agricultural societies to this forward step. The report of the survey published in 1854 was a rather long discussion of the practices on the hundred twenty seven farms of the county, varieties of crops grown, diseases and insects prevalent, the amount and kind of timber, location of different soils, their nature, and a number of other things.¹⁷

It was not long before the Society used its influence to procure legislation favorable to agriculture. At its meeting in Carthage, April 15, 1845, it passed resolutions in favor of having a convention of all the friends of agriculture for the purpose of petitioning the legislature at its coming session to aid Ohio agriculture.¹⁸ As a result, an agricultural convention convened and recommended that the legislature create a State Board of Agriculture, that some steps be taken to curb the ravages of the dogs on the sheep, and that the legislature provide means and assist in the diffusion of agricultural information.¹⁹ Consequently, the Ohio State Board of

¹⁴ *American Agriculture* for 1843, 331.

¹⁵ *Western Farmer and Gardner*, V, 9.

¹⁶ *Farmer and Mechanic*, II, 285.

¹⁷ *The Genessee Farmer*, VI, 65.

¹⁸ *Western Gardner and Farmer*, V, 204.

¹⁹ *Prairie Farmer*, V, 260.

Agriculture was created by the legislature in 1846.²⁰ The act appropriated \$200 for the expenses of the Board and further provided that when any county society raised not less than \$50 for local aid to agriculture the county treasurer was authorized to match the amount up to \$200 from the county treasury.¹² This was a good indication of the power and influence of the agricultural societies or at least of the general interest in improving agricultural conditions.

The agricultural societies in the East had splendid exhibitions in 1845. The reverse seems to have been the case in the West. An editorial attributes the failure of the fairs in the Northwest to the fact that the move for fairs was made too soon;

before people had made sufficient progress to be able to attend to anything besides their own farms. In other instances a succession of poor crops, sickness, floods, scarcity of money, have effectually dampened enterprises of this kind.²²

James T. Gifford in a letter to the editors of the *Prairie Farmer* from Elgin, Illinois, June 8, 1845, stated that:

I am pleased to learn that the committee on fairs of the Union Agricultural Society have concluded on holding a fair and agricultural exhibition at Chicago the coming fall. Judging from the interest expressed by many with whom I have conversed, in relation to it, I think we shall be able to get up an agricultural fair worthy of northern Illinois — of prairie farmers — and of the City of Chicago. What region can boast of better implements and machines, better soil, or more enterprising farmers?²³

Despite the enthusiasm expressed in this letter the executive committee of the Union Agricultural Society met at Naperville, Illinois, in July, 1845, and postponed the cattle show until the next year "because of the season."²⁴ There was not time to grow agricultural exhibits and the fruit would not be good enough to exhibit. The executive committee expressed the belief, however, that the farmers were sufficiently interested to insure full attendance, and that ample funds could be raised to pay reasonable premiums and incidental expenses.

The Peoria County Agricultural Society held its show on September 17, 1845, at Kickapoo Town. The premiums offered were small

²⁰ Burkett, *Ohio Agriculture*, 192.

²¹ Illinois State Agricultural Society *Reports*, I, 19.

²² *Prairie Farmer*, V, 260.

²³ *Ibid.*, V, 172.

²⁴ *Ibid.*, V, 184.

but the exhibits were respectable, particularly in the line of manufactured articles. The principal competition was in fanning mills. The show of cattle and hogs was small; that of horses was some better.²⁵

Sugar Grove Institute (Illinois) held its first show at the house of S. S. Ingham, esq., on October 9, 1845. It is reported that it was a "spirited" association and that the fair "went off in spirited style."²⁶

Editors of the agricultural journals attempted to point out the great social and political value to farmers of the agricultural fairs at this time and the opportunity afforded to sell or exchange animals, "purchase implements of husbandry and articles of every day description." One advised that "It is very desirable that the feature of fairs should as far as possible be incorporated into the general system of agricultural associations. The opportunity of comparing the merits of different breeds, herds, and particular animals, and obtaining by purchase or exchange, such as each one needs to carry forward his improvements would be of incalculable benefit."²⁷ It is at this time that the agricultural exhibits began to conform to the definition of "fairs" given above. Another editor states the mission of the agricultural fair thus: "The fair is intended as a social interview, for mutual improvement, to see and compare what each one is doing, and to ascertain how he does it, and not for the sake of a few dollars."²⁸

The following fairs were known to have been held in Ohio in 1845: The Ashtabula County Agricultural Society held its annual cattle show and fair at Jefferson, October 1 and 2. It was described as "a slim af-fair." The Oberlin Agricultural Society held its fair at Oberlin, October 1. The Montgomery and Clark Counties Agricultural Society held its fair at South Charleston, October 8 and 9. The Geauga County Agricultural Show took place at Chardon October 7 and 8. The Lake County Agricultural Society held a small fair at Cleveland. The Jefferson County Agricultural Society was

²⁵ *Prairie Farmer*, V, 260.

²⁶ *Ibid.*, V, 260.

²⁷ *The Cultivator*, II, 325.

²⁸ *The Genessee Farmer*, VI, 152.

organized at Steubenville, Ohio, on September 2 and therefore, held no fair. At this organization meeting an agitation was begun for the establishment of an agricultural school or college.²⁹

The cattle show and fair of the Union Agricultural Society was held at Chicago, October 7 and 8, 1846. The list of premiums was made out by a committee appointed for that purpose. The most valuable premium was \$6 and ranged downward to certificates and diplomas. Premiums were given to seven divisions of horses, which were to be judged "by size, action and endurance, necessary for the horse for all work." Cattle were divided into eight divisions and were to be judged as to "beauty of form, with the properties which indicate milking qualities, or a disposition to take on flesh on the best parts, rather than size alone, or present conditions." There were five divisions of sheep and the basis of award was chiefly on condition and quality of wool. Swine were divided into three divisions, and the judges were instructed that, "size and present condition will not be regarded, so much as those qualities which promise the best returns from a given amount of feed in growing and fattening". There were seven divisions of fowl. In addition to the above, premiums were given on the following: cheese, butter, fruit, vegetables, maple sugar, household manufactures such as silk, wool and linen, leather and leather goods, iron work, wagons and carriages, cabinet ware, farm implements, and a long list of miscellaneous machines and articles. Premiums were also given for essays on various subjects.³⁰

The drought of the summers of 1846 and 1847 probably affected the interest of farmers in fairs, for in April of 1847 a patriotic westerner deplored the waning interest in agricultural societies and fairs.³¹ Another feared that "illbred people will call the prairie inhabitants ignorant country lads and misses".³² Another writer says, "There can hardly be a reasonable doubt in the mind of anyone acquainted with the subject, that the formation of agricultural societies, and the holding of annual fairs, have been the means of decided benefit to the farming interest. A spirit of

²⁹ *Ohio Cultivator*, I, 145.

³⁰ *Prairie Farmer*, VI, 97-99.

³¹ *The Ohio Cultivator*, I, 145.

³² *Prairie Farmer*, VII, 183.

improvement and of honorable competition has thus been awakened, whose benefits are not confined to this class of our fellow citizens, but diffusive in a high degree, and extended to all."³³ It was this year 1847 that Ohio passed an act creating a permanent fund for the support of agriculture.³⁴

The idea of holding fairs began to appeal to other societies about this time. The Chicago Horticultural Society held its first exhibition in 1846 and the Mechanics Institute of Chicago held its first annual fair October, 1847 to which it invited exhibitions from everywhere.³⁵

The low interest in agricultural fairs of 1846 and 1847 continued into 1848 for "a few years since there were in existence in the northwestern states a considerable number of agricultural societies in a condition of more or less vigor. It will be no news to announce that the greatest number of these are either not in existence or are in a state of entire slumber."³⁶ This writer explained the situation as due to a want of leisure to attend to the interests of the society, that all the farmer's time was needed trying to pay for the farm or get it ready for cultivation, and in gaining a livelihood for his family under discouraging circumstances resulting from "sickly autumns", want of a market, loss of a wheat crop and other like disabilities.

The revived interest in agricultural societies and fairs was quite noticeable in 1849. In that year the writer found record of fairs being held by twenty-nine county societies in Ohio alone.³⁷ The next year fifty county agricultural fairs were held in Ohio.³⁸ This was the beginning of a healthy and continuous growth, for thereafter, and within a few years, the state fairs were being held in all these states, as will be shown below.

The Ohio State Board of Agriculture passed resolutions early in the year 1849 to hold a State Fair at Cincinnati in September.³⁹

³³ *The Cultivator*, IV, 284.

³⁴ *Illinois State Agricultural Society Reports*, I, 19.

³⁵ *Prairie Farmer*, VIII, 95.

³⁶ *Prairie Farmer*, VIII, 89.

³⁷ *Ohio Cultivator*, V, 296.

³⁸ *Ibid.*, VI, 313.

³⁹ *Ibid.*, V, 296.

Cincinnati was selected mainly because of its facilities for accommodating the crowd and its convenient means of access and transportation. Competition was to be invited from the adjoining states. The board invited the Ohio Mechanics Institute, and the Cincinnati Horticultural Society to hold their exhibits with the State Board. An invitation was also extended to the Ohio State Fruit Convention to hold its meeting in Cincinnati during the state fair.

The board at its meeting in Columbus on June 22, postponed the fair to October 2-4, 1850 because of the prevalence of cholera in Cincinnati and various other places in Ohio and adjoining states.⁴⁰ It appointed a delegation from the state board to attend the fair of the New York State Agricultural Society at Syracuse September 11-13, 1849.

The State Agricultural Society of Michigan was organized 1849 and the same year the state legislature passed an act appropriating \$400 annually for the use of the society.⁴¹ On September 25-27 of that year the first state fair of Michigan was held in Detroit.⁴² Detroit was chosen because it was the first city to post the money asked for by the society. There was keen rivalry among the towns for the fair. An analysis of the premium list shows awards given on cattle, sheep, work oxen, horses, swine, farm implements, butter and cheese, domestic manufactures, fine arts, fruits, flowers, vegetables, field crops and plowing match. The awards range from \$10 down to certificates. These exhibits were displayed in a floral tent, a mechanics' hall, a manufacturers' hall, a dairy hall, and the stock department. The ploughing match attracted considerable attention. There were three teams entered and they plowed the quarter of an acre in 38, 43, and 58 minutes, respectively. The estimated total attendance was 30,000. The 14,000 single tickets sold for \$1750 and the membership tickets at \$1 each amounted to \$1400 making the total receipts \$3,150—enough to cover expenses. Several sheep exhibited from Maryland were sold to Michigan farmers. Three were sold for \$200 and two for \$175 each. The promoters of the fair were highly pleased with the result. One editor in comparing the fair with the first state fair

⁴⁰ *Ohio Cultivator*, V, 296.

⁴¹ *Illinois State Agricultural Society Reports*, I, 21.

⁴² *The Cultivator*, IX, 11.

of New York held in 1842 says New York had a larger attendance and had better exhibits in mechanical department and of cattle and horses, but Michigan had a better display of domestic manufacturers and of flowers, fruits and vegetables.⁴³

The success of the first state fair of Michigan was repeated with the second held at Ann Arbor, September 25-27, 1850.⁴⁴ These successes caused the state legislature to appropriate \$1000 for each of the years 1851 and 1852 and to print 1500 copies of the annual report of the state society.⁴⁵ The society held annual fairs thereafter.

Ohio held its first state fair October 2-4, 1850 at Cincinnati. The American Pomological Society, the Cincinnati Horticultural Society and the Ohio Mechanics' Institute held their meetings at the same time in Cincinnati. The premiums ranged from \$21 down to certificates. Premiums were given on cattle, sheep, swine, horses, mules, poultry, plows, farm implements, butter, cheese, domestic manufactures, paintings and drawings, grain, flowers, fruit and field crops. The *Ohio Cultivator* sent a list of premiums and judges to all its subscribers, and all interested people. The fair grounds were about two miles from Cincinnati on grounds of Camp Washington, which were inclosed with a board fence. Tents and buildings were put up for exhibit halls.⁴⁶ The Board of Public Works ordered that all articles passing on canals and other public works of the state, for exhibit at the State Fair at Cincinnati "shall be exempt from toll, both going and returning." The railroads ran extra trains and took passengers at half-fare and all but the Sandusky and Springfield Railroad took the exhibitors free. Editors in Ohio and neighboring states were asked to call the attention of their readers to the Ohio State Fair.⁴⁷ Hotels of Cincinnati advertised rates of \$1 to \$1.50 per day. The dollar admission ticket of the fair would admit holders and their families, or a gentleman and two ladies to all events. The price for single admissions was twenty cents. From 40,000 to 50,000 different individuals attended the exhibitions and from 20,000 to

⁴³ *The Michigan Farmer*, VII, 295-299.

⁴⁴ *The Cultivator*, VII, 280.

⁴⁵ *Illinois State Agricultural Society Reports*, I, 21.

⁴⁶ *The Ohio Cultivator*, VI, 216-217.

⁴⁷ *The Ohio Cultivator*, VI, 264.

30,000 were on the grounds at times. The total receipts were about \$11,000 and total expenditures \$12,500 leaving a deficit of \$1,500 to be made up from funds of the State Agricultural Board.⁴⁸ The value of property on hand for the next fair was about \$1,500 so the fair was a financial success.

In Wisconsin 1850 the Kenosha County Society of 100 members held their first fair, October 10, at a private home. The exhibits were splendid with two imported bulls attracting the most attention. About 500 people attended. They passed resolutions hoping for the establishment of an agricultural department in the state university. Long arguments were presented in support of the establishment of such a department.⁴⁹

The State Agricultural Society of Wisconsin was formed April, 1849.⁵⁰ It held the first state fair in that state in 1851.⁵¹ There had been previous organizations in the state in 1846 and 1849, but they were never carried into successful operation.⁵²

The State Agricultural Society of Illinois was not organized until 1853. It was incorporated by the legislature in that year and an appropriation of \$1000 for two years was made.⁵³

The State Board of Agriculture of Indiana was organized in 1851 when \$1000 was appropriated by the legislature for its use. The first state fair was held the next year at Indianapolis.⁵⁴

There was abundant evidence to show the results of the agricultural societies and fairs during the decade 1840-50.⁵⁵ The people were convinced the results had more than repaid the efforts. The following is a typical statement of this sentiment:⁵⁶

A great change has taken place in the public mind within a few years. A spirit of inquiry and investigation is aroused; much of this has been effected by the establishment of state and county agricultural societies where mind has been brought in contact with mind, and stimulated into thought and

⁴⁸ *Ibid.*, 217.

⁴⁹ *The Wisconsin Farmer*, II, 266.

⁵⁰ *Prairie Farmer*, IX, 184.

⁵¹ Schafer, *Agriculture in Wisconsin*.

⁵² *Illinois State Agricultural Society Reports*, I, 21.

⁵³ *Illinois State Agricultural Society Reports*, I, 21.

⁵⁴ *Ibid.*, 20.

⁵⁵ *Ibid.*, 34-36.

⁵⁶ *Ohio Agricultural Society Reports 1850*, V, 5.

action—where the experience of many, under varied circumstances has been made known for the benefit of all. The establishment of numerous agricultural journals that scatter broadcast over the land knowledge and experience, and the results of scientific investigation of the important process of vegetable nutrition, have likewise, been efficient agencies in working this change in the public mind.

The exhibition of stock, agricultural implements, domestic manufacturers, fruits, agricultural products, the competition for premiums, and the addresses and essays on the principles of agriculture at agricultural fairs, have aided in producing a spirit of emulation, the effects of which may be expected to exert a far-reaching influence in the future.

Agriculture, horticulture, and mechanic arts and commerce have already received great aid from the applications of science, and if we were to judge the future by the past, would say that they seem destined to reach a degree of perfection, such as the world has not yet seen and which we can scarcely conceive. Each exerts a reflex influence upon the others—any improvements in one, produces corresponding improvement in others, and these are only steps onward into a field continually opening wider and wider . . .

In conclusion, the northwestern states were on the threshold of a new day during the eighteen forties, and agricultural fairs were a potent factor in ushering in the new era. Their influence helped to introduce new and improved machinery, better seed, better livestock, and improved methods in every phase of farming. They influenced the efforts to procure government aid for agriculture.

Democracy, Education and the University

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Considerable interest has lately been evidenced in the nature of the role played by education in our democratic society. Numerous reports and studies, culminating in the Harvard Report, have focused attention upon American secondary and college education, at the very time when that system, faced with the necessity of adjusting its program to a new world order arising out of the Second World War and the development of atomic energy, is confronted with its greatest crisis in revaluation since the founding of the Republic.²

The dilemma confronting the educationalist has been called the conflict between the Jeffersonian and Jacksonian view of the educational process and is a resultant of the eighteenth century enlightened liberalism which lies at the foundation of our American civilization. By pronouncing the inherent equality and perfectibility of man, eighteenth century liberalism in France and England, and subsequently in America, set in motion a mass aspiration towards the goals of political equality within the state, economic equality, expressed in terms of security within society, and lastly, but co-equally, equality in educational opportunity, as the natural rights of all men. Indeed general education was viewed by many of the subsequent exponents of liberalism as the most necessary element in their creed, since by it man perfected himself and acquired the commonness of objective and outlook necessary for the proper functioning of an individualistic society.

By and large America adopted and developed these principles. Political equality has been substantially achieved in the United States, with certain notable exceptions principally amongst the

¹ The opinions expressed in this article are solely those of the author and in no way represent those of the Naval Service of which he is a member.

² Much of the material for this article has been based upon the following works: *General Education in a Free Society*: (The Harvard Report), Harvard, 1945; Millett, F. B., *The Rebirth of Liberal Education*, New York, 1945; Ortega y Gasset, *The Mission of the University*, Tr. H. L. Nostrand, Princeton, 1944; *Education and Society*, University of California, 1944; *Official Statement of The St. John's Program*, in the Catalogue of St. John's College for 1944-45.

Negroes. Economic equality, while not yet fully realized, has made rapid progress in the last decade and is now gradually gaining that general acceptance in the public consciousness, which must come before it can be enacted into the legal system. In the field of education, however, while the United States has led in the acceptance of the necessity of public education and has made available extensive facilities ranging from rural grade schools to state universities, two problems of major importance remain unsolved. The basic one is the general education of the masses, while still providing selective education of the able; the second is the problem of the minimum general content of the education which should be made available to all.

In regard to the former, as far as the University is concerned, there is an obvious conflict between the theory of the perfectibility of man through education and the reality of the diffusion of ability amongst individuals. Every teacher, especially in a large, state university, has been confronted at some time or another with the dilemma of either teaching above the heads of half of his students in order to stimulate and develop the abilities of the more able, or lowering the content of his instruction in order to accommodate it to the less highly gifted. Too often attempts to compromise between these alternatives have led to results of value neither to Peter nor to Paul, and to the development among able students, through laziness, and among the less able, through necessity, of excessive memorization of the text and the "points" of the lectures to the exclusion of reflection or thought on, and a consequent lack of understanding of, the material at hand.

The obvious solution of this difficulty, from the scholar's point of view, would be the rigid elimination of the mentally immature from participation in the work and benefits of the College. This could be achieved by stricter entrance requirements and higher standards of undergraduate work. While this solution might be practical in small endowed institutions, it is impossible of application in a State University. Indeed it is contrary to the American Spirit which demands the permeation of the leaven of education, even at the college level, amongst the bulk of the population. Nor is this widespread desire to send children to a university essentially

wrong. Liberals, concerned with the preservation of what we have come to call the American Way of Life, have instinctively realized the necessity of agreement among the citizens of a Democracy on its objectives and ends; an agreement which must be general and well founded if the system itself is to endure. The means by which this agreement is obtained is through the education of the citizenry in the culture and traditions of their nation. It is here that the University as well as the secondary school has its mission. It is this reason, rather than a desire to retard the appearance of youth upon the labor market, or the necessity of educating the scientists and technicians of tomorrow (who in any event would be comparatively few in number) which makes the solution of the Jeffersonian-Jacksonian dilemma one of vital importance. For while admitting the necessity of "general" education, the corresponding necessity of "special" education—the more elaborate training of the more able—remains an important factor in the over-all educational plan.

As far as the Colleges and Universities are concerned, the problem can partially be met by the development of better general education in the secondary schools. The Harvard Report has a great deal to say upon this subject which will bear careful reading. It is in the high schools of the nation that the fundamentals of Americanism should be laid, and it is in these same schools that the foundation for the proper utilization of the universities' program must be built. In addition, as a means of satisfying the educational needs of persons for whom the universities' offerings are not suited, there should be a further development and improvement of junior colleges and trade schools as terminal institutions. In this connection public opinion must be educated to a realization that attendance at a four year college or university is not essential to the social standing, business prosperity, or economic success of an individual boy or girl. Contrariwise, the boy or girl who has no desire to follow one of the professions or liberal arts, but who has a very real interest in domestic science, agriculture, mechanics, or business administration, should realize that he or she will find a more profitable and congenial program in a college or school dedicated to these special interests than in a large university oriented toward different ends. The advantage to the large college

or university of the development of such schools is obvious, since it relieves them of the burden of students whose real interests lie outside the scope of the general liberal arts or professional program and who therefore cannot be beneficially assimilated into the academic structure. The acceptability of the terminal junior college or trade school within the democratic framework is conditioned, however, on the student's acquisition, while in the secondary school, of the basic elements of general culture and a continuance of such courses in the junior college or trade school itself.

If we assume that a certain percentage of students terminate their formal education at the high school level, and that others pursue their particular interests in junior colleges, the remainder who seek entrance to a college or university may be conveniently divided into two classes: those seeking a general liberal arts education and those aiming at a professional degree. If we admit the validity of the thesis that college as well as secondary education should establish a basic orientation of the student towards life in a democratic society, both of the above groups should be treated alike for at least the first two years of college, if not longer. The tendency recently evident in some universities to minimize the importance to professional and scientific students of the study of the humanities and social sciences cannot be too strongly condemned. The result of such an attitude is not only that the student is inclined to look upon his liberal arts courses as inferior to, and useless for, his future specialization, but the development among such students of an appreciation and realization of the nature of their own culture and society is made impossible. While such an attitude, which rushes students often before they are sufficiently matured, into specialized courses in engineering, chemistry, medicine, or law, may provide technical experts in a short period of time, although even this may be debated, it certainly cannot produce the well rounded citizens upon whose judgment, attitudes, and interests lies the ultimate fate of our democratic institutions. Apart from this it is extremely doubtful if such an education can give to the individual that inner balance and toleration essential to the proper adjustment of his own individuality.

The second group, those interested in the liberal arts, may in

turn be subdivided into students who aim at the general cultural education with no special professional ambitions, and those who plan to do further graduate work in the field of the humanities or social sciences. Here again the basic training should be the same as in the case of the first group, with those aspiring to graduate studies being subjected to a more rigidly defined field of concentration after their first two years of preliminary work. This insistence upon a similarity of educational experience in all groups for at least two years should result in a common meeting ground for discussion and agreement among all types of college students, and in addition create an understanding and comprehension of the aims, ideals and limitations of American civilization.

In regard to the problem of the content of this basic training in the university or college, certain factors appear evident. It should be first a continuation of the preliminary work laid down in the secondary school system, although on a higher and more developed level. Second, confronted as we are with an unparalleled growth and expansion of the subjects of education during the past decades, it is immediately apparent that while the university may hold all knowledge to be its domain it cannot begin to convey that knowledge to all its students. A selection must therefore be made of those elements which are basic, either because they are necessary to an understanding of man's physical environment and his adjustment to it, or because they have entered into and become a part of our social institutions in such a way as to have essentially influenced our conception of society and the place of the individual in it. No longer is it possible to make all students into scientists, philosophers, theologians, historians or doctors. Such possibilities belong to the era of scholasticism when man's knowledge of the physical world and of society could be contained within a *Summa Theologica*. The modern problem is to make the student aware of the significant and the essential contributions of the various branches of knowledge, not on the assumption that he will have special skill in any or all of them, but that he will attain to an understanding of their effect upon the society in which he is compelled to live and earn his livelihood, to find his pleasures and relaxations, and to rear his children.

Accordingly students should be required during their first two years to take basic courses in the history and significance of the contributions of the natural and physical sciences to modern civilization. Such courses should aim at giving the student sufficient knowledge, often without elaborate proof, of the methods and nature of these subjects and their contribution to the wellbeing of mankind. If some student, as a result, is fired with a desire to further pursue one of the subjects thus opened up, so much the better; if not, he will carry away with him at least an awareness of the predominantly scientific character of our age. The next group of courses should be developed in the humanities and include such subjects as the history of western art, music, literature, and philosophy, so that the student will have an appreciation of the good, the true and the beautiful, as it has been expressed by the great minds of the present and the past. Here some creative spirit may find an intellectual home; others will take with them a common basis for future value judgments, and an outlet for creative thinking and activity in years to come. Lastly there should be courses centering around History and Social Sciences, directed first towards an understanding of the political, economic, and social traditions of the Western World, culminating in the founding of the American Republic, and later towards an analysis of these traditional forms in terms of present day problems and future potentialities. Uniting these three fields of interest into an organized two year curriculum should produce in the student some of the toleration, breadth of vision, and commonness of assumptions necessary to the achievement of that "oneness of fundamentals" which lies at the basis of our Democratic system.

It is obvious on one hand that there can be no domestic peace within this country until men agree on the necessity of cooperating for the common good rather than the advancement of their individual interests at the expenses of the remainder of society. There can on the other hand be no such cooperation until there is general agreement as to what constitutes the "common good," an agreement which is obtainable only through a commonness of education and background, and the consequent understanding and tolerance which is thereby fostered. Today much of our domestic strife rests upon this inability of our social and economic groups

to agree upon the fundamentals and assumptions of our society, with the result that they stand towards each other in a relationship of hostility if not open conflict. Mutual distrust, egotism, and greed, plus the lack of any underlying philosophy which might give to life a coherence and meaning, has brought our "sensate" culture, to borrow an expression from Professor Sorokin, to a state of decay from which the truly remarkable scientific progress of our age has been unable to rescue it. The situation in the international field where nation-states replace economic groups in the arena of conflict is no less distressing. Unless there too a common basis can be found for international co-operation the future is dark indeed. Atomic energy, potentially a boon to mankind, can be transformed into so terrifying a prospect that it may frighten us away from an immediate war, but, failing some international understanding founded upon the acceptance of common principles of conduct, it will in due time produce a world catastrophe whose effects cannot even be envisioned. Readers of the *New York Times* will not soon forget Low's cartoon of Science offering the Atom to Humanity with the caption "Baby play with nice ball?"

To some this proposed program of a two years course may smack of the fascist or communist methods of indoctrinating youth. The obvious answer is that the content of the "indoctrination" is radically different both in method and in end. Assuming, however, the improbability of such a program's being used by unscrupulous interests to advance their own particular views, such a development should be looked upon as a "calculated risk" preferable to the alternative of the continuance of individualistic, uncoordinated education leading to disillusionment and cynicism, or at best, to mere technical competency. Such education, except in the case of the very gifted, often leaves the student with no overall view on life, no understanding of the traditions and purposes of his own society, and makes him the ready victim in times of stress of the first glib tongued demagogue who comes his way. Such a person is more dangerous to the preservation of the liberal spirit than one who has no education at all.

On the part of the teacher it would be a counsel of perfection to expect him to refrain from intruding his own opinions from time

to time in the course of his lectures. All teaching is by its very nature personal and consequently results in the expression of a point of view. The true scholar is usually basically objective, and the majority of teachers can be trusted not to turn their lecture platforms into political or economic rostrums. The deterioration of any such plan as we have been discussing into a mere vehicle of official propaganda depends after all upon the intellectual integrity and honesty of the teacher himself. The development of the plan, however, not only imposes upon the instructor the responsibility of teaching his subject without indulging in undue special pleading, but it will also involve in many cases, a real intellectual reorganization of his own teaching methods. While it is eminently desirable that teaching personnel in a college or university instruct in advanced and specialized courses within their own fields of interest, it will also become necessary for many of them to adopt a broader outlook and a wider liaison with others in related fields if they are to teach successfully the general preliminary courses envisioned above. The net result of this will be not only advantageous to the student, who will have the benefit at an early stage of the instruction of one learned in his field, but to the teacher as well, by opening for him new channels of approach to his own subject and by giving him a forgotten, if ever realized, appreciation of the point of view and methods of others in related areas of academic endeavor.

In addition to strictly educational functions the large co-educational institutions in a Democracy afford an excellent arena for the development of the social adaptability of the individual. Class contacts with persons of the other sex, coupled with social and extracurricular activities such as sports, dances, fraternities, clubs, school papers, debating teams, etc., aid in the growth of the personality of youth and in the ability to get along with others. Many of the problems of successful democratic living are thus placed before the student. Even if he fails to get a "degree," and actually carries away from his Alma Mater little or no formal knowledge, he has nevertheless learned certain lessons in social behavior and social adjustment which will stand him in good stead. Commonness of living is as important as commonness of learning in the formulation of the democratic citizen. When this "socializing" influence

of the co-educational university or college is combined with the acquisition of an appreciation of the culture which the student must eventually live, then the university has given to the bulk of its students all that can reasonably be expected from it. The outstanding student will naturally benefit to a greater degree, and for him are provided the advantages of course concentrations and the facilities of the professional and graduate schools. Where real ability is evidenced every effort should be made to make the financial burden of education bearable through scholarships, grants-in-aid, and part time employment. In this manner both the Jeffersonian and the Jacksonian objectives can be to a large extent met without undue damage to either. But above all, both classes of students, the average and the gifted, the technical and the non-technical, will have a common core of knowledge on which they can premise their arguments and discussions as to the immediate form of our society and the future of our civilization.

The more detailed consideration of the exact tools and methods to be used, the types of examinations to be given and when, the place allotted to the study of the "great books," the qualifications for instructors, the length and form of the courses to be given, are subjects of great complexity which must be left to the decision of the institution concerned in light of its own particular situation. That something ought to be done to realize the full function of education in a modern democracy is evident, but the particular application rests in the hands of each individual institution.

The Corporate Being

BY E. T. MITCHELL

UNIVERSITY OF TEXAS

The most characteristic feature of civilization today is not machines, though at first glance the visitor from Mars would call our era the machine age, but rather the corporate structure of society that technology has brought into existence. Not only are practically all businesses and industries integrated into corporate form, but also politics and religion, science and education, art and communication. Corporate bodies have, of course, existed at all times as natural forms of association—tribes, cities, universities, guilds, religions, etc.—but our era has grasped the method of corporate organization and employs it deliberately in every field of activity. The business corporation is only one of scores of types of corporate structure.

When we consider the vast power of action exercised by corporate organizations, their irresistible control over individual human lives, and their incalculable potentiality for accomplishing good or evil, it is astonishing that we have given so little attention to the nature and status of the corporation as an entity. The emphasis of the social sciences is still on the individual at one extreme and society at the other. No doubt a great advance was made when law and morals substituted individual responsibility for that of family or tribe; but that revolution reflected a stage of growing individualism. We now face a situation in which the theory of individual responsibility has broken down. Corporate bodies function as indivisible entities around unitary processes. As a consequence, the larger the corporation the more impossible it is for society to hold the members individually responsible for its acts, and the more democratic its legislative and administrative processes the more unjust it is to hold officers personally responsible. Under these conditions, corporate and intercorporate actions raise problems for which jurisprudence and social philosophy, based as they are on individual responsibility, provide no adequate foundation.

A preliminary study which might furnish a rational foundation for life under contemporary conditions would be an investigation

of the nature of the corporation.¹ The questions are not: Is the corporation a person? Has it life, mind, and will? Can it develop conscience and responsibility? Rather the questions are: In what sense, in what degree, and under what conditions does it have these characteristics? If a given corporation is too rudimentary and retarded in development to assume responsibility, what treatment would promote its social growth?

The most thorough attempt with which I am familiar to work out a philosophy of corporate life, will, and individuality is that of Professor Jordan.² In spite of great indebtedness to the studies, I find myself dissatisfied with some of his more important arguments and conclusions. The most thorough attempt to develop a theory of the individual in relation to society from a naturalistic approach is G. H. Mead's "philosophy of the act."³ His analysis, however, except for occasional asides, stops short of the application of his technique to corporate orders. The following study is, therefore, mainly an effort to extend Mead's principles of individual sociality and responsibility to corporate individuals.

II

Organism

The great error in social and political theory from Plato to Mussolini has been to conceive of the state as the individual "writ large" and the individual as the epitome of the state. The error is understandable because of the numerous analogies between the relation of cells to organism and that of members to state. But the implications drawn from these analogies are so far-fetched that many persons have adopted the opposite extreme. Because the state is obviously not a mortal god, is not the source of all our rights and duties, and is not midway between the individual and the Absolute, extreme individualists draw the conclusions that the corporate body is not an organism, that there is no such thing as the general will, and that only individuals feel wants, exercise will, and evaluate means and ends.

¹ I use the term "corporation" in its widest sense to mean any organized body consisting of individual members and acting as a unit.

² E. Jordan, *Forms of Individuality*, Indianapolis, 1927; *Theory of Legislation*, Indianapolis, 1930.

³ G. H. Mead, *Mind, Self and Society*, Chicago, 1934; *Philosophy of the Act*, Chicago, 1938; *Philosophy of the Present*, Chicago, 1932.

If the term "organism" is defined by unity of function and dependence of parts or the whole, it is obvious that a corporation is in some respects an organism. But it is an organism of a different level from a plant, an animal, or a social self. The differences are as important as the similarities. There are four fundamental respects in which the analogy breaks down.

(1) The member cells of a biological organism are comparatively fixed in the structure of the whole. They cannot detach themselves from one tissue and attach themselves to another; they cannot detach themselves from the parent organism and unite with another; they cannot disband and form themselves into other plants or animals. The members of a corporate body can do all these things, thereby proving that they are social selves as well as members of a corporate body.

(2) Detached from the organism, the cell of a plant or animal cannot sustain life. The biologist may be able to keep it alive under artificial conditions, but in the state of nature it dies. The whole is necessary to the life of the part. An individual member of a corporation can retire from that form of association, or from society as a whole, and yet live out his normal life span.

(3) The physical structure of the individual person is almost infinitely complex — as every medical student learns to his cost — and even a comparatively low type of biological organism is far from simple. If we include in the structure of a person his psychic and social processes, we find them delicate and involved beyond our powers of analysis. On the other hand, the structure of most corporations, when the members are counted as single units, is relatively simple and readily diagrammed. Studied from the point of view of wants, interests, and ends most corporations are all too readily comprehended. The degree of intricacy and subtlety varies widely, to be sure, and reaches a high level in certain cities, universities, federations of labor, and world religions; but it does not approach that of a psycho-physical organism.

(4) The physical structure of a biological organism, even if we take account of the plasticity of the human nervous system, is relatively fixed for each species. The evolution of a new organ

cannot be accomplished at will and usually takes a very long period of time. Man creates tools, but most of these can be considered as outer extensions of his body that modify his natural functions. All the basic forms of specialization are inherited. But the corporation can specialize at will by setting aside individual members or groups for special functions. This feature deserves special attention.

Bergson has shown that while man creates tools external to himself, the lower animals, especially the insects, involve tools by the modification of their own bodies. In this respect corporate organisms resemble the lower animals. In response to a want or need they can create out of their own substance the organ or specialized department to take care of the need.

The corporate body, then, does not have a fixed structure and limited function. It can create new internal systems in response to changing needs or new demands. When the Assyrian army needed eyes, it invented the mounted scouting force; in World War I the army devised the reconnaissance air force; in World War II it added radar detection. Similarly, the state in its administrative capacity devised the police force, then the inspectoral forces, and finally the engineering and managerial forces. Examples of such specialization of functions have arisen in all periods of human history, but the deliberate use and control of the method is recent. Nothing in the relation of biological organism to member cells or tissues is comparable to this deliberate self-evolution of corporate organisms.

We conclude, then, that the corporation may be regarded as an organism, but one of a different type and level from individual forms and persons. Analogies drawn from the city or state may not apply to persons, and knowledge of the biological specimen may have no application to corporate wholes. Above all, there is no justification for the idea that the corporate individual is a higher grade organism than the single member.

III

Life

Having concluded that in certain respects a corporation is an organism, the next question is: Is there any sense in which it is a living organism? Mead gives us the following criterion:

A mechanical object is one that is defined in terms of other things. A teleological object is one that defines other things in terms of itself. An electron is defined in terms of the fields of all other electrons as they are registered in its field. A living form defines food, enemies, refuge, and the like in terms of itself.⁴

The above principle may be called "biological relativity." Grass is food relative to the digestive system of the ox but not to that of the tiger. Nothing in the surroundings of a rock is food or refuge or enemy to it. Living forms, and only living forms, determine their environment in terms of themselves.

Mead goes on to show that an individual determines its environment in two ways, either directly or indirectly. A bird builds a nest and thus transforms its environment directly. Certain ants promote the growth of grasses on which aphids thrive and then make use of the aphids, thus transforming their environment indirectly.

Applying Mead's criterion it can readily be shown that a corporation is a living, teleological organism. A bank defines securities and investments in terms of its own manipulations; an industry defines raw materials consumers, and distribution in relation to its own processes; a labor union defines fair wages, reasonable standards of living, and justifiable strikes in terms of its own activities. Cities determine their environment both directly and indirectly; directly in the case of public works like reservoirs, sea-walls, harbors, or air-fields; indirectly by promoting agriculture and industries in the surrounding country and thus thriving on trade and pay rolls. Business and industrial corporations do likewise, often transforming the life and character of a wide region. All these features of environment whether natural or created are relative to the processes of city life or business enterprise.

⁴ G. H. Mead, *Philosophy of the Act*, 310.

Mead elsewhere states the principle of biological relativity more precisely as follows: "The individual organism determines in some sense its own environment *by its sensitivity*."⁵ Do corporate organisms define their own environment by their sensitivity? If sensitivity were entirely passive, a matter of responding to external stimuli, it would have to rely on something like sympathy or telepathy by which shock or impulse might be communicated from man to man throughout the whole organism. Even if such means were scientifically verifiable they would operate more effectively in close-knit, homogenous bodies like hunting packs or tribal villages than in modern corporations.

But Mead has demonstrated effectively that sensitivity is not passive. The organism selects and attends to stimuli; it sensitizes itself to certain aspects of the environment and prepares itself for anticipated stimuli. While the corporation as a whole is not provided with sense organs and a nervous system, it can set aside from among its members individuals or specialized groups provided with instruments to receive and communicate warnings of danger or signs of advantage. A city like London in war time furnishes an obvious example of deliberate sensitizing. The weather service with its system of signals is another example. By means that are partially artificial every corporation manifests some degree of life by defining objects by its sensitivity.

Let us take another criterion, this one from Bergson. The characteristic tendency of the inorganic is to settle down to endless repetition; the mechanical has no history. The inorganic does not grow; it becomes larger by accretion or smaller by attrition. The characteristic feature of living organisms is growth-change. It grows by internal reorganization and preserves its own past; its present activity controls what it selects from its surroundings and what it anticipates from future possibilities. It has a past, present, and future, and thus a history. One does not need to be a Bergsonian to admit the general truth of this distinction.

Some corporations seem by this criterion to approximate the inorganic. Custom and rigid law bind them to endless repetition. Other corporations, however, like some cities and universities,

⁵ *Mind, Self and Society*, 245.

manifest continuous growth change through internal elaboration, a steadily accumulating past merging into and giving direction to the present, and a future full of possibilities giving significance to their present activities. Such institutions show all the marks of vitality.

Biologists use other criteria for distinguishing the organic and the inorganic — self-repair, reproduction, wholeness — but I think that they would agree that any form that defines objects in terms of itself, determines its environment by its sensitivity, and manifests growth-change is a living organism. These criteria may not define life, but they have two advantages: they indicate in what sense corporate wholes are vital; and they provide standards for determining the degree of life manifested by any corporation.

Applying these standards we conclude that a corporate form is a living organism; but we find little justification for the theory that the state or the church or any other corporation is a type of organism superior to the component individual members. In intensity of interaction with the environment, in sensitivity by which it defines objects as extension of its own process, and in growth directed by images from past experience and anticipations of the future, the individual person is a much higher grade organism than any corporate form yet evolved.

IV

Want, Interest, Satisfaction

Want, interest, and satisfaction are correlative. In explaining the relation as aspects of "the act" Mead uses hunger in illustration.

The want as expressed in hunger, the interest that attaches to the means of getting food, and the satisfaction of the food itself are three phases of the act of eating. . . . Want, interest and satisfaction — each implies the entire process, and embodies it in a particular phase. . . . In experience, as in life as an entity, the whole is given in the part.⁶

In complex living forms, specialization of nutritive cells (comprising the digestive tract) and non-nutritive cells (comprising, among others, the nervous and muscular systems) gives rise to interdependence. The nutritive cells nourish not only themselves

⁶ *Ibid.*, 452.

but all the other cells and the organism as a whole. The non-nutritive cells serve the nutritive system and maintain the life processes by overcoming the distance between the organism and its sources of food and bringing food within the grasp of the nutritive cells. Their own deficiency, due to the depletion of the stores produced by the nutritive system, serves as the stimulus to the activity of seeking and securing food.

Mere deficiency is not want. Inorganic substances may be deficient in some element but they are not stimulated to search for that which would provide the normal components of their atoms or molecules. Again, in pathological cases an animal may lack nourishment but feel no want or appetite.

Want is the stimulation of the process which lacks some material by those processes that supply the want while they exhaust the store of material in the process.⁷

If this conception is not clear an analysis may remove the obscurity. There are four stages in the process: (1) the system of cells which produces a necessary material exhausts its supplies; (2) the depletion of the material affects other systems which depend on these stores; (3) they are thereby stimulated to the activity of seeking and securing the sources of the needed material; and (4) this activity further depletes the store. If the want is not satisfied mal-functioning takes place until adjustment to the deficiency is made or death ensues.

Thus defined in terms of life activities, want is characteristic of corporate bodies. One can easily conceive of a household or tribe in which the woman prepares and serves the food while the men hunt or gather the materials. When the meals provided by the woman become meagre the men are stimulated to set out on a hunting expedition, drawing supplies from the remaining food stores to supply them on the chase. That the want is not purely individual but communal is indicated by the fact that the hunters may sacrifice themselves for the tribe. Or suppose that the water supply of a city is not sufficient to maintain the growing industries. Diminishing supplies stimulate the engineering department or the industrial companies to search for new and more abundant sources. These surveys and the construction work in building

⁷ *Ibid.*, 305.

dams, reservoirs, and pipe lines further deplete the water supply until construction is completed. Then the want is satisfied and the various occupations of the city go on with renewed vigor.

A want becomes a felt want when the organism divides attention between the object which will maintain or restore the life process and the internal condition itself; e.g. between the game being hunted and the bodily state of the hunter. An interest in the means of securing the needed object becomes a felt interest when the organism attends not only to the means but to the subjective bodily or mental state. The satisfaction in securing the food (or other needed object) becomes a felt satisfaction or pleasure when attention is divided between the food and the act of eating. In the case of felt want, felt interest, and pleasure the internal processes of the organism are part of its environment, a condition depending on a nervous system.

Whether a corporation as a whole, apart from the subjective feelings of individual members, is capable of feeling want, interest, and satisfaction may be doubted. To maintain that a corporation is capable of such psychological states would be to hold a theory of mass feeling. Following Mead, I would explain what is called mass feeling as the spread of emotional attitudes from person to person by facial expression, voice, and gestures till each person assumes the general attitude. It is sufficient for purposes of social theory that the sources of institutional wants are corporate processes, the deficiencies give rise to corporate activities that restore the depleted supplies, and that the shared feelings are occasioned by concern for the internal condition of the corporate body rather than for the internal condition of the individual member.

It is evident from this account that corporate feeling is not identical with the aggregate of private feelings nor yet with the phenomenon of mob feeling. Private feeling relates to the internal condition of the individual; mob psychology does not presuppose organization, structure, and specialization of function. The simplest illustration of these three types would be: (1) the feeling of an unattached spectator at a football game; (2) the disciplined and intelligent desire, interest, and satisfaction of the

team; (3) the wild enthusiasm of the rooters. The second of these exemplifies corporate feeling.

It will be noted that the analogy between individual and corporation breaks down at this point. In the case of an individual, psychological feeling belongs only to the organism as a whole; the single cell is not capable of felt want or felt satisfaction. In the case of the corporation, the member has psychological feeling and the corporate organism has not. We shall use the term "corporate feeling" to mean feeling related to corporate processes, depending on corporate organization, and spreading or consolidating through the fact that each person adopts the emotional attitudes of the others. That is, each person adopts a typically corporate attitude.

Business and industrial corporations are generally incapable of corporate feeling. Consisting of scattering shareholders and operated by the individual or clique holding a controlling block of stock, there is no opportunity for the communication of feeling, for communal interest in the means of production, or shared pleasure in the products of the industry. The legal corporation is typically soundless. On the other hand, the real organization — workers, foremen, managers, etc. — is precluded from normal feeling of interest or satisfaction in the corporate processes. A similar condition prevails in the fascist state. Though often called the corporate theory of the state, fascism denies members intelligent participation in affairs of state and therefore precludes genuine corporate feeling. As a consequence it must substitute mythical needs (like living room), extraneous interests (like Jew-baiting), and the empty satisfaction of mass demonstrations. Through mob psychology it achieves a return to tribal solidarity while lacking tribal contact with reality. Its appeal lies in the fact that it eliminates the feelings of insecurity, loneliness, and futility of abstract individuality.

V

Sociality

Professor Jordan writes that the highest form of purposiveness of which the corporate will is capable is consciousness of want

or interest.⁸ It is therefore with trepidation that I advance beyond the discussion of corporate want, interest, and satisfaction. Sociality, the next step, requires taking the role of the other, and Jordan asserts that the corporate body has no other.⁹ We therefore turn to Mead for guidance.

Mead's approach to the development of a self and the relation of a self to society begins with the social order in which a person is born and grows up. He writes:

We are not, in social psychology, building up the behavior of the social group in terms of the separate individuals composing it; rather, we are starting out with a given social whole of complex group activity, into which we analyze (as elements) the behavior of each of the separate individuals composing it. We attempt, that is, to explain the conduct of the individual in terms of the organized conduct of the social group, rather than to account for the organized conduct of the social group in terms of the conduct of the separate individuals belonging to it.¹⁰

It is our problem to insert a third term, the corporate being, between "separate individuals" and "the social whole of complex group activity."

Only selves, Mead demonstrates, can be sociable. An individual becomes a self through the use of language and other significant symbols, through engaging in play, games, and cooperative work, and through participating in institutionalized attitudes. One question is, Can corporations become selves through such means?

By means of language, since he can hear his own spoken word and read his own written message, a person can evoke the same response in himself as in others, and he can indicate to himself what he points out to others. He can thus become a distinguishable person to himself. In spontaneous play he assumes various roles and then returns to his normal self, thus becoming a person. In games of competition and cooperation he must carry in his system not only his own action but those of his team-mates and opponents. In anticipating the play of others he prepares his own action, and thus he becomes conscious of himself as a

⁸ Thus it is through interest, the lowest type of purposiveness of the individual, but the highest form of purposiveness of the corporate will, that a point of active contact is made between the individual and the corporate form. — E. Jordan, *Theory of Legislation*, 245.

⁹ The corporate individuality is thus an impersonate individual without an "other." — *Ibid.*, 244.

¹⁰ *Ibid.*, 7.

distinctive part of an organized team. As a responsible member of society with a serious work to perform he becomes self-conscious and self-critical by generalizing the attitudes of other members, and is thus a conscientious person with social standards and principles. In becoming a self he also becomes socialized, and vice versa.

Corporations, unlike single individuals, have no limbs with which to make social gestures and no vocal organs with which to make speech. If they communicate as they do so by creating special agencies for intercorporate communication — embassies, departments of public relations, delegates to conventions, and the like. Obviously they do convey warnings and invitations by these means, and indicate to themselves and others significant features of situations. A corporation can be said to speak when the words or gestures represent a corporate attitude rather than that of the official spokesman. Actions speak louder than words, and the downing of tools by workmen or the mobilizing of the army by a nation are unmistakable gestures. The corporate body that speaks thus indicates its attitude to others and at the same time strengthens its own determination. In doing so it becomes self-conscious, a social self in a society whose members are other corporate orders.

While corporations do not indulge in spontaneous play, they may use art with similar results. Through literature, music, painting, drama, and pageantry the nation, city, or even commercial company advertises to itself and to the world the part it plays in history. Through these means it becomes self-conscious and, if art is free enough, self-critical.

Serious business is so integrated that every corporation must coordinate its activities with those of other corporations. In war time a high degree of cooperation among industries was necessary. Both in competition and cooperation each corporation must be able to anticipate the action of others and therefore to "take the role of the other." Since a corporation lacks a nervous system for this purpose, it must devise an agency. An industry can never cooperate with organized labor until it can appreciate the attitudes of labor, and it can do this only by some device such as a joint

committee, the arbitration board, or the impartial manager. It is not sufficient that men as individuals be benevolent and well intentioned; purely personal relations, except in the case of dictatorial organizations, cannot create corporate sociality.

By means of intercorporate agencies corporations can develop attitudes appropriate to intercorporate relations, and these attitudes can become industrialized. Thus collective bargaining has become institutionalized, while "fair competition," "ethical" advertising, and the like are becoming standard attitudes. Better examples of corporate attitudes that have become so prevalent as to constitute institutions could be taken from contemporary educational, religious, and sporting organizations. The importance of institutions for the development of selfhood and sociality lies in the fact that each individual or corporation carries in his (or its) own system the attitudes and outlooks of others. Thus, where free speech is an institution we can put ourselves in the place of the soap-box orator and defend him against molestation. Similarly one nation can protest against the exploitation of another, and one religion against the suppression of another.

We conclude that corporations can have an "other," and that by setting up the appropriate agencies they can "adopt the role of the other." In so far as they set standards of fair competition, mutual aid, uniform or concerted action, and the like, they show themselves capable of "assuming the role of the generalized other." Whether a corporation can attain a high standard of self-critical, conscientious conduct is not yet apparent, but we may well doubt that it can achieve a selfhood comparable to that of its most moral member.

VI

Corporate Will

The concept of corporate will is of fundamental importance for the central question of corporate responsibility; and this, I am convinced is the most pressing problem of contemporary social, political, and legal theory. Since it would be impossible to do the subject justice within the limits of this paper, I have ventured

to discuss it in a separate article.¹¹ I conclude that the more highly developed corporate organization do expend energy in evaluation ends and formulating rules for their own conduct, and that such corporations can be held responsible for the consequences of their acts and can assume more and more self-direction or moral responsibility. But corporate organizations of an autocratic type are essentially irresponsible and should be reconstituted.

VII

Is a Corporation a Person?

At this stage our discussion must take leave of G. H. Mead. He has no hesitation in referring to national selfhood, national self-consciousness, and the like, and I suppose he would not object to the application of these terms to other corporate forms. But he nowhere refers to the state or nation as a person, and I am not aware that he has anywhere discussed the question.

All the numerous psychological definitions of personality will apply in some measure to corporate forms. Even the soul theory will apply if one accepts an Hegelian metaphysics. Empirical and behavioristic definitions are especially open to applications beyond human individuals. Common sense, however, applies the term "person" to the single human being.

It is only when personality is linked with value that a sharp distinction appears. Kant laid down the rule, implicit in Christian and democratic doctrines, that humanity should always be treated as an end, never merely as a means, and in this "practical imperative" he reflected the humanitarian sentiments of the Eighteenth and Nineteenth Centuries. Human life must no longer be held cheap; man must treat man as an ultimate good; that is, with the respect due to a person.

A strong case is made by absolute idealists as well as by recent fascist philosophers for regarding certain corporate organism as higher in the evolutionary scale than the individual man and as more adequate embodiments of rational will. But the common sense of man rejects the arguments; the prevailing mores place higher value on individuals than on any type of corporation. We

¹¹ "A Theory of Corporate Will," to appear in *Ethics* shortly.

dissolve business corporations or compel them by law to break up into smaller units. We carve up states, abandon towns, permit clubs to dwindle away, and allow giant corporations to absorb little ones. In fact, then, we do not treat corporations with the respect or reverence due to persons. The crimes of murder, slavery, cannibalism, and willful neglect do not apply to corporations. Perhaps we do not respect our towns, colleges, churches, scientific societies, and publishing firms enough; perhaps society should protect and legislate for them more than it does. But the fact remains that popular morality supports Kant's dictum that human beings ought to be valued as supreme ends, and does not support the view that the state or any other corporation has equal or superior value.

That common sense is right in this case has already been partially indicated, but there is a further consideration that is decisive. Even if we do not accept the Kantian view, we admit that among the ends of human life the formation of a self and a worthy career are important. If life is productive or creative, the most important works of art produced are the human drama itself and the characters. The parts are judged aesthetically by their contribution to the whole. In the case of a corporation the main part of what is produced is distributed among the members as dividends, either literally or figuratively. In many ways a consumer's cooperative is a highly developed type of corporate organism. In the participation of members in decisions concerning ends and policies, in its equitable distribution of the products of joint industry, in its spirit of internal cooperation, and in its interaction with selves and society at large it displays an advanced level of corporate vitality and will. But people do not cooperate for the sake of the company. After setting aside sufficient funds for maintenance, education, and other needs, they distribute the balance as surplus to the members. In short, the company is instrumental to the good life of the component members, not an end in itself.

In general, corporations exist because there are social functions to be performed which only groups of people with corporate structures can carry out. They are distinctive entities of their own kind not to be confused with societies of men nor with single

persons. Above all, they are not persons; the legal fiction that they are persons is tolerable only because our law courts and legislative assemblies have no other device for dealing with them. It is high time the fiction were discarded. They are precisely what their name implies. They deserve their own unique status in national and international law, and they require a special place in psychology, government, and the other social sciences.

VIII

Conclusion

It was not the intention of this article to draw conclusions as to what we should do about corporations. We have, as a matter of fact, already done a great deal to force responsibility on business and industrial companies, especially as a result of the depression and the war. At least two distinctively new principles have emerged: (1) No business has a right to exist that cannot pay a living wage and maintain decent living conditions; and (2) a business exists to perform a social function, and if it cannot or will not perform it effectively, the government has the duty of taking appropriate action to see that the function is performed. The United Nations are faced with the unprecedented task of formulating principles of national responsibility — principles barely touched on in the trials of individual war criminals. But action taken in the emergencies of financial crisis and wars rest upon an insecure foundation. Once the crisis is past there is a demand for recovery of the status quo ante, restoration of temporarily abandoned principles, and rehabilitation of wrecked institutions. A stable policy requires the formulation of sound social, political, and legal theories. And such a philosophy requires, at the present juncture, a scientific study from many angles of the corporate structure of society. The purpose of this article is to stimulate such a study.

Notes and Personal News

The Executive Committee of the Association met in Dallas October 27, 1945, and effected plans for a convention and enlargement of the Association. The Enlargement Committee is: S. A. Caldwell, Leo Herbert, R. T. Klemme, Pearce C. Kelly, H. J. Chatterton, Paul P. Young, R. E. McClendon, A. Q. Sartain, E. K. Zingler, J. H. Leek, B. C. Tartar, W. J. Hammond, Walter Watson, O. E. Baker, Neil S. Foster, Walter Hansen.

Other committees appointed are: Endowment Contributions: Karl E. Ashburn and C. S. Potts. Constitutional Amendments: W. J. Hammond, J. L. Glanville, S. A. Caldwell, R. D. Thomas, S. B. McAlister. Institution Memberships: C. J. Bollinger, H. J. Chatterton, R. N. Richardson, S. B. McAlister. Audit: J. A. White, Jay Adams, B. F. Harrison. Resolutions: Monroe S. Carroll, Carnace Ribble. Nomination of Officers: J. A. Fitzgerald, R. D. Thomas, Daniel Borth, R. N. Richardson, Pearce Kelly, C. A. Campbell, Paul P. Young, H. J. Chatterton, C. S. Potts, S. B. McAlister, W. J. Hammond. Publicity: J. T. Richardson, C. J. Bollinger, F. C. Frey, C. O. Brannen, W. P. Carr, J. R. Wells, J. O. Gragg, H. J. Chatterton, Jack Johnson, Lee L. Johnson, R. L. Jones, A. S. Lang, C. F. Lay, L. S. Sowell, C. M. Rosenquist, W. A. Stephenson, T. C. Root, J. C. VanKirk, Hugo Wall, J. L. Waller, L. L. Waters, W. T. Watson, F. G. Watts, S. B. Kovacs, G. B. McCowen, Robert Seay, C. D. Johnson, Marvin Sipe. Radio: W. J. Hammond.

Pursuant to the decision at that meeting, the first postwar meeting of the Southwestern Social Science Association will be held in Fort Worth, April 19 and 20. Headquarters hotel is the Texas. The committee on local arrangements is composed of A. S. Sartain, Chairman, Walter T. Watson, and J. L. Glanville, all of Southern Methodist University, Dallas, and W. J. Hammond of Texas Christian University, Fort Worth.

On evening of April 19, Association banquet in honor of Mr. Louis Reynolds, Executive Vice-President of the Reynolds Metals Company, Richmond, Va., will be held. Mr. Reynolds' address will be broadcast over Texas radio hook-up.

The Social Science Research Council is publishing the research memorandum *Social Research on Health*, prepared under the auspices of the Southern Regional Committee, of which Dean Raymond D. Thomas is chairman, in February of this year. This memorandum was written by O. D. Duncan with the assistance of a work group composed of social scientists from various fields working mainly in southern colleges and universities during the war years.

Spencer Albright on leave from the Department of Government,

University of Texas, now a Captain in the A.A.F. Training Command, is stationed at Fort Worth.

C. E. Ayres, Department of Economics, University of Texas, attended the meeting of the American Economic Association in Cleveland Jan. 26-29.

James E. Barron recently industrial relations expert in the War Department, has been appointed instructor in economics at Louisiana State University.

Sam B. Barton has returned from military service in the Pacific Theater to his work at North Texas Teachers College, Denton.

L. F. Brush, instructor in accounting at Louisiana State University, has resigned to accept an appointment as assistant professor at Syracuse University.

Delavan Evans, instructor in government, University of Texas, who has been in military service in the Pacific Theater, will return to the University March 1.

Paul B. Foreman, recently Captain, A. G. D., U. S. Army, has accepted the position of professor of sociology at Oklahoma A. & M.

Eugene A. Heinman, a member of the faculty of the Department of Economics of Baylor University, died on November 11, 1945, of injuries suffered in a traffic accident while he was on his way to a meeting of the Texas Academy of Science.

George Hildebrand, associate professor of economics, University of Texas, on leave with the War Labor Board, has resigned to accept a position at the University of California, Berkley.

John Hodges, formerly at the University of Arkansas, is now at the University of Kansas City.

Joe K. Johnson, professor of sociology at Teachers College, Commerce (on leave), has been teaching at the American University at Biarritz.

Edward G. Lewis, who has been in military service in the Pacific Theater, will return to the Department of Government at the University of Texas on March 1.

Abe Melton, formerly at the Teachers College, Huntsville, is now at the University of Arkansas.

R. H. Montgomery, Professor of Economics, University of Texas, returned to the University November 1. He was for two years Chief of Bombing Objectives, B E W, and later Economic Advisor to the Executive Director, F E A.

Perham C. Nahl, on leave from Oklahoma A. & M., has moved from Washington, D. C., to Evanston, Illinois.

Eastin Nelson has been granted leave of absence for the Spring Semester from the University of Texas to serve as visiting professor of economics, University of Santo Domingo, Ciudad Trujillo,

Dominican Republic, under the travel grant program of the Department of State of the United States.

James F. Page, Professor of Sociology, Oklahoma A. & M., has been granted a leave of absence for the Spring Semester to teach at the University of Arizona.

Emmette Redford, Professor of Government, University of Texas, returned to the University November 1. He has been on leave working with O.P.A. in Dallas and in Washington.

William H. Sewell, Professor of Sociology, Oklahoma A. & M. on leave with the U. S. Naval Reserve, has recently returned to this country from Japan where he assisted in conducting a study of the influence of bombing upon the morale of the Japanese. He has resigned his position at Oklahoma A. & M. to become Associate Professor of Rural Sociology at the University of Wisconsin.

O. Douglas Weeks, Professor of Government, University of Texas, who has been on leave teaching in the American University at Schrievham, England, will return to the University March 1.

Dean A. Worcester, Jr., formerly of Louisiana State University, is now Associate Professor of Marketing, University of Georgia.

Book Reviews

EDITED BY G. LOWELL FIELD

Carr, Edward Hallett, *Nationalism and After*. (New York: The Macmillan Company, 1945, pp. 76. \$1.25.)

The title of this latest of Professor Carr's contributions to an understanding of the present world crisis indicates the thesis which he most convincingly sets forth: there is nothing absolute about nationalism; it is an historical phenomenon governed by historical conditions of time and space. His task in this little book is the two-fold one of tracing the past history of nationalism on the one hand, and of describing the future prospects of internationalism on the other. The analysis throughout places great stress upon the accompanying and determining economic and social conditions.

Carr describes the intensification of nationalism through three periods. "The first was terminated by the French Revolution and the Napoleonic wars, having the Congress of Vienna as its tail-piece and swan-song; the second was essentially the product of the French Revolution and, though its foundations were heavily undermined from 1870 onwards, lasted on till the catastrophe of 1914, with the Versailles settlement as its belated epilogue; the third period, whose main features first began to take shape after 1870, reached its culmination between 1914 and 1939." Viewed socially and economically, the first period is identified with the absolute monarch and mercantilism, the second with the middle class and *laissez-faire*, and the third with the masses and economic nationalism. A goodly amount of space is devoted to describing an accompanying decline of internationalism.

When he assays the prospects of internationalism, Carr is optimistic. His answer to the question of what is needed to provide a workable international order is a set of principles and purposes to replace the factors which modified the nationalism of the first two periods—the sense of solidarity among monarchs based on their personal promises and obligations, and the sense of solidarity among middle-class governments based largely on respect for property rights—and, in addition, there is needed a framework of power to give sanction to these internationally-accepted principles and purposes. Both prerequisites are found very much in evidence in the contemporary period of nationalism, the one in the ideal of social justice, and the other in the three Great Powers and their satellite nations. "We must seek to build our international order on principles and purposes which, because they conform to the principles and purposes of the leading powers, will be acceptable

to them, and, because they promote the well-being and minister to the aspirations of men and women everywhere, can become the focus of wider loyalties."

That such a new world order is now in process of formation is evidenced by the drafting of many specific agreements between the nations for the creation of international agencies to deal with specific obstacles to world peace and prosperity. The new internationalism is beginning "unbeknownst to itself" as a "functional internationalism, based on the conception of international order as association not between nations as such but between people and groups of different nations, and realized through an indefinite number of organizations cutting across national divisions and exercising authority for specific and limited purposes over individuals and functional groups."

The University of Tulsa

NELS M. BAILKEY

Hays, H. Gordon, *Spending, Saving, and Employment*. (New York: Alfred A. Knopf, 1945, pp. x, 255.)

This little book—and it is not as little as it looks either in the number or the content of the pages—comes as a gift of the gods to a singularly troubled world. In a general way everybody is now familiar with the "underconsumptionist" argument, the central idea of which can be stated with almost deceptive ease. Professor Hayes states it in these words.

Unemployment occurs because we do not consume the product that we produce or might produce. If we, the people of the United States, could and would consume as the means available permit, we should never need to stop working. It is as simple as that. We stop and stand idle because our institutional arrangements will not permit us to use the fruits of our labor. We cannot distribute what we could produce.

Simple as it is, this idea is clearly revolutionary. It means that there is something seriously amiss with the "private-enterprise economy." This, too, can be stated very simply. As Professor Hayes puts it,

The very nature of the private-enterprise economy means that rewards are necessary to induce effort. Most unfortunately, however, these essential incentives to business tend to destroy business incentives. What they give with one hand they take away with the other. For the money gains that spur business men to increase output mean that relatively less is available for the purchase of the output, since such additions to business incomes are largely saved.

But when we inquire, or try to answer other people's inquiries, as to why all this is so, and if it is so why economists have not always known that it is so, or why if any economist can now show it to be so all do not yet acknowledge its truth, we find ourselves in difficulties.

The reason for this is obvious. The treatises are recondite and the popularizations are unsatisfactory. The former traverse one of the densest growths of theoretical jungle to be found anywhere on the intellectual landscape, and the latter hitherto have failed to map the jungle, contenting themselves with a description of the view which confronts the happy traveller who has somehow found his way through it. *Spending, Saving, and Employment* is the first book which manages to tell the non-economist reader what he wants to know about underconsumptionism. It is no mere popularization. Its author has been a professor of economics at Ohio State University for twenty-five years and has done time with a number of government agencies both state and federal. What he presents here is no mere vending of other men's ideas but the fruit of his own thinking and research. The book is clear because the thinking is clear. It does three jobs that imperatively needed to be done, and does all three superlatively well.

The first of these is the job of straight economic analysis: the answer to the question, What is wrong with the free-enterprise economy? This he does not only by analysis of the "recurring market impasse" which is "an inseparable aspect of the savings-investment process as we practice it," but also by tracing this process through the actual record of the nineteen twenties and thirties and viewing this recent experience in the perspective of the past five centuries. The second job is one of translation. As everybody knows, *The General Theory of Employment, Interest, and Money*, by J. M. Keynes, is the great contemporary classic of economic heresy. It is an extraordinarily difficult book, but its influence has been so great that even a writer who stands on his own feet and ventures to differ with Keynes at significant points might nevertheless want his readers to know what the Keynes position is. Professor Hayes' exposition of Keynes, Hansen, Hobson, and various other lesser heretics, and his contrasting picture of present-day economic orthodoxy, constitute a minor miracle of faithful portraiture.

The third job is that of economic policy. If I were to pick a quarrel with Professor Hayes, it would be with regard to his policy recommendations. We should of course make use of a variety of instrumentalities. Professor Hayes' repertoire is most admirable for its inclusiveness. But the over-all objective of increasing the flow of income to small incomes and decreasing the flow to large incomes; though it is implicit in Professor Hayes' analysis, does not occupy as explicitly and commanding a position among his recommendations as I think it should. But I realize that many students would regard policy diversification as a merit. Certainly the rebuttal of the counter policy of "back to normalcy," and the ex-

posure of the humbuggery that calls every deviation from the "free enterprise economy" a road to fascism, are both masterly. These chapters alone are worth the price of the book.

All in all, this is by far the most intelligible, informative, and generally satisfactory presentation of non-Euclidian economics that has appeared to date.

University of Texas

C. E. AYRES

Wager, Paul W.: *One Foot on the Soil; A Study of Subsistence Homesteads in Alabama*. (Bureau of Public Administration, University of Alabama, 1945, pp. xiv, 230.)

As the result of a suggestion from the area adviser in Birmingham of the Federal Public Housing Authority to an officer of the University of Alabama that a survey be undertaken of the subsistence homestead projects in Jefferson and Walker Counties, Alabama, the University's Bureau of Public Administration selected Professor Wager for this purpose. This volume gives the results of his work.

"The major objectives of this survey," says Professor Wager, "were to determine (1) the potentialities and limitations of a pattern of life which combines industrial employment with part-time farming, (2) the extent to which subsistence homesteads enhance the security and improve the economic position of industrial and white collar workers, (3) whether the social advantages warrant this development as a public enterprise, with or without subsidy, and (4) if the government is to promote homes of this type, whether they should be built on a community-wide basis. It was believed that the experience of the five Alabama projects over a period of seven to nine years would throw considerable light on these fundamental questions." (The projects covered are Cahaba, Greenwood, Mt. Olive and Palmerdale, in Jefferson County, and Bankhead Farms in Walker County.)

The writer has apparently amassed all the evidence available to answer the foregoing and many other questions, insofar as answers may be derived from an inadequate and perhaps unrepresentative sample. He and his associates went thoroughly into matters of land acquisition and subsequent utilization, the financial aspects of the projects generally and individually, and the human reactions evoked by the special modes of association. The net impression gained from the text and the more than forty tables is that no stone has been left unturned in the effort to present documented case histories of these ventures, which no future student of the subject will be likely to ignore.

The evidence here presented is conclusive that these particular products have been costly, in money at any rate, to the general

community. Bankhead Farms, Greenwood, Mt. Olive and Palmerdale cost the Government \$3,508,214 and sold (?) for \$697,978, a loss of \$2,810,236. Per unit, the average cost ranged from \$6,453 to \$7,220, and the average selling price from \$1,868 to \$2,016, or between 27 and 31 per cent of cost. There are many reasons for this discrepancy; but there must indeed be strong reasons of social expediency to justify the assumption of such a margin of subsidization on any extensive scale. It is only fair to point out that Professor Wager clearly recognizes this truth, although he is disposed to charge only \$360,000 of the apparent subsidy to the homesteader, by reasoning which does not strike this reviewer as entirely ingenuous. One who believes in experimentation of this sort would naturally be quite willing to write off heavy losses as educational. When, however, as in this instance, the original purpose of the projects (to provide partial subsistence to low-wage or underemployed workers' and their families) has been almost completely lost sight of, and a few families, selected on a hit-or-miss basis, have had the benefit of a 70 per cent subsidy in purchasing homes, it certainly requires a good deal of optimism and imagination to emerge with any conclusions of a serious nature as to the practicability or desirability of such devices. Nobody will disagree with Professor Wager that low-cost housing is needed. Nobody is likely to disagree with him that the suburbs are healthy for the kiddies. And nobody will disagree that, if anyone builds homes for industrial workers, they should be located within easy commuting distance of the job and not, as in these cases, from 15 to 30 miles away!

It is only good citizenship, one would say, to insist that overlavish expenditure of public funds may still be called "waste" even in circumstances where intangible benefits accrue which can be pointed out as justification, as in the present cases. One may share Wager's "favorable attitude toward decentralization and sheer delight in 'a little farm well tilled'"—but be inclined to doubt whether this survey was, as its sponsors directed, "absolutely" objective. The excessive cost does not seem to have been properly weighted in the estimate. Nobody seems to have made any serious blunders, least of all any malicious mistakes, and yet on the record these well-meaning persons squandered about three million dollars. It is this sort of thing which provides the enemies of government enterprise and management with their most persuasive arguments—rightly or wrongly.

Whatever else they may be, the illustrations in this book are neither useful nor pertinent. If there are to be "pictures" in such a volume at all, they should be actual photographs. One would like to see what the houses are like, what the crops and livestock look like and how they are tended and housed. Actual marginal drawings

simply lend a bucolic atmosphere, but have nothing to do with the Alabama subsistence homesteads.

There is an adequate index, but no bibliography.

H. Sophie Newcomb Memorial

College, Tulane University

ALTON R. HODGKINS

Howenstine, E. Jay, Jr., *The Economics of Demobilization*. (Washington: Public Affairs Press, 1944, pp. 336, \$3.75; paper \$3.25.)

The timely publication of *The Economics of Demobilization* as World War II was drawing to a close affords much light for dealing with the crucial problems currently involved in the shifting of our country's economy from a basis of war to a basis of peace. During World War II, the economic life of the country was far more completely adapted than ever before to the objectives of war. Therefore, the present period of demobilization presents proportionately great problems in redirecting national economic energy into the ways of peace.

The unusual organization of the book itself points the lesson which Mr. Howenstine wishes to teach, *i. e.*, that the United States should make use of the experience gained from demobilization after World War I to aid in solving the greatly accentuated problems of demobilization growing out of World War II. The book is divided into three parts, the first of which deals briefly with problems of World War II which are likely to affect demobilization, the second of which deals thoroughly with demobilization after World War I, and the third of which sets forth the author's conclusions concerning the situation after World War I and lays down a blueprint for demobilization after World War II.

In Part I, the author calls attention to the mixed joys and fears which he expected would prevail with the coming of peace at the end of World War II. He confidently asserts that while the elimination of the fears will necessitate some radical readjustments on the part of business, labor, agriculture, and government, it will not involve a fundamental alteration of our system of society. It is his thesis that, "demobilization thought and planning which disregards the fundamental characteristics, demands and objectives of the transition economy is misguided and constitutes a definite threat to postwar readjustment." He traces the pattern of this hybrid economy of the period of transition and differentiates broadly between the short-run problems of demobilization and the long-run problems of reconstruction. His contrast between conditions obtaining in 1918 and those existing in 1944 reveals the relatively favorable position of the United States at that time and serves as

an excellent background for speculation as to whether or not the country will experience a boom or collapse and for calling attention to current tensions and trends. His brief sketch of the three principal schools of economic thought of the last decade, *i. e.*, the Keynes-Hansen "full employment-fiscal policy" school, the Moulton-Nourse "low-price policy" school, and the Schlicher-Wilson "favorable climate" school, from which he says that the basic contributions to contemporary planning for demobilization have come, gives the philosophical basis for a wise solution of the problems of demobilization.

The twenty-two detailed and well-documented chapters comprising Part II treat the specific problems of demobilization after World War I and constitute the greater part of the book both quantitatively and qualitatively. The author's description and analysis of such outstanding issues as the removal of wartime controls, the demobilization of the armed forces, the cancellation of contracts, policies in demobilizing labor, postwar inflation, the problem of price control, the policies of the Treasury and the Federal Reserve System, the financing of European reconstruction, and the fight against the high cost of living during the transitional period of demobilization are thorough and enlightening. He has made effective use of a wide range of primary sources in his detailed consideration of these specific questions. A knowledge of the handling of each of the above mentioned matters is essential in coping successfully with the almost identical but notably accentuated problems currently crying for wise solution.

In Part III, the concluding section of the book, the author devotes two chapters to a consideration of "Depression and 'Normalcy'" and calls attention to what he believes to be the inadequacies of a policy of *laissez-faire* which results in such a program of readjustment. The concluding chapter is an exposition of the author's blueprint for demobilization after World War II. In brief, he favors full employment, free enterprise, and social welfare. He thinks that if the United States Government fails to formulate and execute an integrated policy dealing with such problems as demobilization of the armed forces, the principles of the cancellation of war contracts, taxation, the disposal of plants owned by the government, the disposal of the government's surpluses, the reorganization and extension of the system of social insurance, foreign relief and reconstruction in war-torn Europe and Asia, inflation, and the matters of price fixing, rationing, and priorities during the present transitional stage a dangerous period of readjustment lies ahead.

The rather extensive bibliography is neither classified nor annotated. There is an index.

University of Oklahoma

CLAUDE A. CAMPBELL

Koch-Weser, Eric, *Hitler and Beyond, a German Testament*. (New York: Alfred A. Knopf, 1945, pp. 217.)

Much to the disadvantage of the objective reader seeking unbiased information about one of the most startling phenomena of modern history this highly instructive book has been drowned by the flood of sensational literature on Nazi Germany. But only a very small amount of these books will be of real value for the future historian of Germany, and Koch-Weser's work will certainly be among those rare exceptions. For he has answered that pertinent question posed with a feeling of deep amazement by many a sensible observer of the Nazi assault against civilization and humanity: how could it happen that the once so-called "nation of poets and thinkers" was to descend to such unbelievable depths of wanton debasement and criminal barbarism?

The Hanseatic lawyer Dr. Erich Koch-Weser, who played an important part in different administrations of the Weimar Republic as well as in his capacity as the chairman of the German Democratic Party (he was for a time Minister of the Interior and of Justice of the Reich) ably explains the historical reasons of the German people's lack of horse sense in politics. Compared with the British, the Frenchmen, and the Americans, the Germans were terribly late both in becoming a real nation and in developing a normal national feeling. Even national unity came to them in a very precarious, somewhat hysterical way. It was to them "a festive goblet of wine, long missed and fiercely desired. When they at last had their fill, they grew intoxicated with it. And so they became nationalists and imperialists at a time when the high tide of imperialism had already ebbed away in the other great nations." The critics of German behavior very often seem to overlook these facts especially when they judge the individual German who was too much accustomed to slavery and obedience to use the freedom suddenly won in 1918 in a reasonable fashion.

When analyzing Hitler's success in usurping power, Koch-Weser not only stresses the well-known economic reasons culminating in the long unemployment of six million citizens but also shows the failure of the German Republic to arouse the people's enthusiasm for its ideals and to win respect and authority. It is an excellent observation of the author that the terrific boredom involved in objective and factual speeches easily turns away the interest of broad masses from the important political issues at stake. The Nazis were shrewd enough to use insight into this fact in making their propaganda "sensational" and "amusing"; they had at the same time the big advantage of irresponsibility for themselves. Says Koch-Weser very rightly: "Anyone who can can oust boredom will have plenty of followers."

Once in power, Hitler, through the "diabolical system" of his torture chambers, has made any efficient opposition impossible. He "sadistically replaced a heroic death for martyrs by never-ending beatings that reduce human dignity to wretchedness and moans." But the worst thing was that the representatives of the other nations sat down with the Nazi gangsters, as if they were respectable people, and that "a meaningless phrase of Hitler commanded more attention than the deepest thoughts of profound thinkers."

Koch-Weser died in Brazil in 1944. Although he did not see Hitler's defeat he predicted it and devoted the last part of his book to the future of the German people. He considers the political education of the Germans and giving them real "enlightenment" a very important task. At the same time he is aware of its immense difficulty. For "no one abroad knows in what abysmal darkness almost every German lives." He brings forth warnings that the Allies should bear in mind: "A people who have been in Hitler's hands for ten years cannot be treated like a free people accustomed to truth and free speech." But, in his opinion, the system of the "brilliant fiend Goebbels" could be "employed to exterminate Nazi doctrines as well as to spread them." And this is Koch-Weser's testament and final conclusion: "The German has forfeited his leading position in world politics . . . [but] Germany can again be a happy nation if she resolutely chooses peace instead of war, right instead of might."

New York City

HENRY WALTER BRANN

McCormick, T. C. T., editor, *Problems of the Postwar World*. (New York: McGraw-Hill Book Company, 1945, pp. vi, 526.)

This is a symposium of papers edited by Professor T. C. T. McCormick of the University of Wisconsin and written by professors of the University of Wisconsin with only three exceptions. The papers are addressed to "the thoughtful and educated layman and not to the social scientist." The book is divided into three parts, Part I dealing with economic policy, Part II with Government and Society, and Part III with International Relations.

On the whole this a very good book. If papers are to be singled out for excellence, the reviewer would like to call especial attention to "What Road is Forward in Social Security" by Elizabeth Brandeis, "Taxation after the War" by Harold M. Grover, "The Planning Process in Government" by John M. Gaus, "The Negro" by Thomas McCormick, and "Postwar Education" by Matthew H. Willing. All these papers are quite objective in dealing with the respective problems and yet each writer shows enthusiasm for the topic assigned. Miss Brandeis gives some criticisms of the present

social security act and some splendid suggestions for improvement.

The book is much above the heads of laymen, however. Especially is this true of such chapters as "Income and Employment." Too much jargon unfamiliar to the layman is used in "Income and Employment." The book should be suitable for a course on the college level dealing with Postwar Policies and Problems.

Emory University

CULLEN B. GOSNELL

Dunlop, John T., *Wage Determination Under Trade Unions*. (New York: The Macmillan Company, 1944, pp. ix, 231, \$3.50.)

Numerous recent books on economic theory and other economic subjects by professional economists have carried statements in the respective prefaces to the effect that while the subjects discussed were necessarily couched in more or less technical terms it was the sincere hope of each author that the matters under discussion would be understood by the layman, that is, the non-economist or even the non-academician. This hope has been expressed by some economists because of the belief that the world can not be saved by specialists but that an understanding on the part of the ordinary citizen is essential in a democratic society to the formulation of effective policies in respect to the complex socio-economic problems of our modern world. No such hope is expressed by Mr. Dunlop in the preface to his book; it would be a forlorn hope in this case, for his study will be appreciated by only the academician, perhaps only the economist. Even among professional economists only the economists primarily concerned with price analysis will be impressed by his sincere and honest efforts in the use of both theoretical analysis and empirical data by which he reaches his conclusion that "The Automatic pricing mechanism as *model* or *institution* in the labor market is dead," a conclusion which could (and would) be accepted (and perhaps proved) by students of "labor economics" without the proof offered by Mr. Dunlop in the form of numerous hypotheses, equations, diagrams, charts and tables dealing with what he himself designates as a "jungle of empirical material."

For those economists, including those interested in labor economics, who think that writers and teachers of labor economics have been too much concerned with institutional and historical methods and that their use of the "tools of economic analysis" has been distressingly inadequate, Mr. Dunlop's study of collective bargaining as a method of setting the price of labor services is a significant one which will "prove suggestive to the growing number of teachers and writers who are striving to place labor economics in its proper position." Mr. Dunlop does not profess to present a comprehensive study of wage theories; he calls his efforts "a tenta-

tive reconnaissance of some of the more prominent and obvious features of the pricing terrain." He feels that he is pioneering in this field, for "Despite the tremendous expansion in collective bargaining in recent years, systematic inquiry has scarcely begun to explore in analytical terms or through detailed empirical investigation the luxuriant field of wage determination under collective bargaining." Believing that the future "may be reasonably expected to require careful study of this area by economists, formulators of public policy under any guise, trade unionists and business executives alike," the author hopes only "to call attention to some of the more intriguing problems that warrant intensive study; . . . that both the possibilities and responsibilities for serious inquiry may be widely accepted."

The first or introductory chapter is devoted to an orientation of the "intellectual and emotional perspectives" of the author. The recital of certain prejudices and convictions to which the author admits points unmistakably to the conclusion reached in the last chapter. He is convinced that organized labor markets represent a field of important theoretical inquiry which can be "illuminated" by theoretical analysis with the same results that have been achieved from the application of the same method to the process of product-price formation. He explains however "that modes of behavior that are broader than economic theory contribute to the understanding of wage determination . . . To appraise wage policy of a trade union merely from the framework of analytical economics may be to misunderstand behavior completely. A basic perspective . . . is that wider analytical models than economic theory must be constructed for successful explanation of even market-oriented behavior."

At the end of chapter six the author gives a summary of his analysis of trade-union wage policies as presented in the first six chapters and points to the effort in the next three chapters to relate the empirical data submitted to the theories developed in the first part of the study. These data deal with the wage rates and labor income as reflected in the experience of the United States between 1919 and 1939 and are analyzed in an attempt to determine the cyclical patterns of wage variation and the cyclical variation of labor's share in the national income. This analysis is concluded with the statement that the cyclical pattern of labor's share depends upon the definitions adopted and the choice of a definition in general depends upon the specific purpose at hand. The ninth chapter is a discussion of labor's return as a cost and is concluded with the statement that "Those who have pressed the view that the wage level contributed importantly to unemployment in the thirties have not chosen to examine the evidence here under review."

The last chapter on price mechanism and collective bargaining is devoted to the implications of the conclusion that the automatic pricing mechanism in respect to labor markets no longer functions (if it ever did) as originally described by the classical economists. It is recognized of course that economic theory in general "has been buzzing with fundamental issues of the operation of the price mechanism," the central issue being that of the "ability of the market institutions to achieve and to maintain full employment." The author is emphatic in his conviction that trade unions and collective bargaining are to be considered as more than "unfortunate intrusions which complicate the models" of theoretical economists. He views the growth and the influence of collective bargaining as one of at least three important developments which "compel a review of the functioning of the price mechanism," the other two being "the widening area of governmental decisions directly affecting the pricing process" and the familiar change in the organization of business enterprise. Whether the influence of collective bargaining by trade unions upon the price mechanism results in a "better" allocation of resources and "a higher degree of utilization over time or results in the disaster of more restrictive monopolies" depends in large measure upon how the problems posed in the study are solved, and the solution of these problems is of such importance "as to command continuous and careful study for the next generation."

Fort Worth, Texas

VIRGINIA B. SLOAN

Lodge, Rupert C., *Philosophy of Business*. (Chicago: University of Chicago Press, 1945, pp. 432, \$5.00.)

A readable book with numerous examples of the philosophic attitudes of business men such as J. P. Morgan, Cornelius Vanderbilt, John Wanamaker, Ernest Benn, and others. Unlike, say, John Calvin and Adam Smith, the author makes no attempt at constructing a new philosophy of business, but after condemning and dismissing Pareto's theory of business he looks for the traditional philosophic tenets of realism, idealism, and pragmatism in business transactions. In accordance with popular opinion Lodge identifies realism with crass materialism, idealism with self-denying far-sighted moralism, and pragmatism with bio-social satisfaction, and implies that for the pragmatist business actions (or transactions) constitute their own reward.

Realism, idealism, and pragmatism are, the author explains, fundamentally incompatible. Yet each finds definite expression and to about the same degree in modern business. Consequently these philosophies are effective in a given business corporation, not simultaneously, but consecutively. However, they may all be operative concurrently in different business firms. A business idealist em-

phasizes the aesthetic and qualitative features of products and keeps one eye on the social good, but this attitude breaks down under financial strains. The realist emphasizes quantity and mass production and keeps one eye on self-gain, but this attitude breaks down when, sooner or later, that for the sake of which business takes place must be considered. A business pragmatist concentrates on the art of production and problems of distribution and sees business in its spatial, temporal, and bionomic dimensions.

The business world as a whole and in its more detailed aspects keeps rocking along by stimulus of these three philosophies as if on a large tripod under which there are the smaller tripods corresponding to the detailed aspects of the whole. Whenever pragmatism is rampant it is soon balanced by idealism and realism, etc. According to the author these three philosophies seem to be necessary for wholesome, healthy business.

Clearly, then, and for the most part this book is an analysis of business without tendentious force. Yet the author suggests in several places that business, however it manifests itself, finally must be subordinated to state control and must answer to the common weal. This is the beginning of, and may be a stimulus to, a new philosophy of business whether sympathetic or opposed to Lodge's view.

University of Texas

DAVID L. MILLER

Bentham, Jeremy, *The Limits of Jurisprudence Defined*. Edited with an introduction by Charles Warren Everett. (New York: Columbia University Press, 1945, pp. xxii, 358, \$4.50.)

This is the hitherto unpublished Part Two of Bentham's *Introduction to the Principles of Morals and Legislation*. The appearance of the book comes as a surprise since the very existence of the manuscript was not suspected. In the Preface Mr. Everett tells an interesting story of how he discovered the treasure and reveals something of the techniques of disentangling and editing such a manuscript. The Introduction explains, with the assistance of heretofore unpublished letters, how the book came to be written and why Part Two was never published. The editor also gives an analysis both of the *Principles* and the *Limits of Jurisprudence* showing the relation between the two parts. Like most such analyses, the reading of them is better postponed to the last.

The first chapter of the volume under discussion expounds Bentham's discovery that there is no definable difference between criminal and civil law; that all criminal law has civil aspects, and all civil law has punitive features. Bentham had intended to add a final chapter to the *Principles* distinguishing the two branches of

law, but on making this surprising discovery he expanded the chapter to a treatise.

The final chapter, entitled *The Uses of This Book*, is a most important one serving as a conclusion to the whole book, both Parts One and Two. Bentham believed that he was the first to lay the foundations of a science of law. His work, he thought, would serve as a plan for a complete body of law in countries starting *ab origine*, or for countries reducing customary law to a single, unitary system. It would also serve as a common standard for different legal systems, and he envisaged an institution where students of law and legislators from all enlightened countries would meet to reduce their laws to harmony or uniformity. They could produce a model code applicable to any nation under any conditions. He also believed that the study of the science of law would greatly improve the art of legislation.

Bentham's treatment of fictions, except for its cogency and relevance, sounds like some recent article on semantics. Ogden, indeed, in his introduction to *The Theory of Legislation*, places his theory of language and linguistic fictions in the foremost rank of Bentham's contributions. All terms, according to Bentham, like *power*, *right*, *property*, *liberty*, etc., refer to fictitious entities. The only really entities are *acts*, *persons*, *things* and *aspects* of these. Before a person can make sense of terms signifying fictions he must reduce them to terms signifying real entities. Real entities make "impressions," and primary ideas are copies of these real impressions. Among such ideas are *act of will*, *event*, *circumstance*. Secondary ideas are resolvable into primary ideas, and these ideas include ideas signified by the words *command* and *prohibition*. This is as far, apparently, as we should carry abstraction if we are to avoid fictitious entities, "a sort of vapors which during the course of the legislative process are as it were generated and sublimed." The advantage of keeping legal language within the compass of ideas that copy real impressions, or ideas readily reducible to these, is that it will render the intent of laws self-evident. All acts of law, it will be found, are commands or prohibitions, and all commands and prohibitions have for their objects certain acts of persons.

While we cannot attempt criticism in this descriptive review, we may point out the arbitrary nature of Bentham's selection of terms. Thus, *acts of will* and *events* are listed as primary ideas copied from real impressions, whereas the first of these terms is so vague and confusing that recent psychology has dropped it as a technical term, while the term "event" has been so refined in metaphysical discussion that Bentham would not recognize it. Dewey, for example, (in *Experience and Nature*, Chapter Eight) asserts that we are not conscious of *events* but of *objects*.

In developing topics like "aspects of law," "force of law" etc. Bentham indulges in his favorite device of dichotomous division and redivision, and inventing names for each class. Thus a single paragraph contains the following terms: *directive, incitative, comminative, temperative, extenuative, aggravative, satisfactive, catapaustic, metaphylactic*. Of the hundreds of terms that Bentham invented only a few like *utilitarian, international, and codification* have been adopted. While allowance must be made for the fact that he was laying the foundations of a new science, we cannot fail to note that his conception of the science is the rudimentary one of Aristotelian classification. His approach is "logical." Finding traditional logic inadequate, he elsewhere made contributions, and here suggests the need of a logic of imperatives parallel to that of assertions. That is, he wanted a logic for legislation comparable to that for argumentation.

Bentham can write with freedom and power when his subject allows him to dispense with formal analysis. His chapter on customary law, the much lauded English common law, gives him free scope for exhibiting and ridiculing the anomalies, barbarities, contradictions, and confusions of existing legal processes. Charles Dickens could have found in this chapter material for many novels like *Bleak House*.

The chapter on the "Completeness of the Law" leaves one marvelling at the task of the legislator, and wondering whether any legislative body could ever produce a complete law. It would seem that every law implies the complete code.

Many people regard Bentham as the most important figure of the Nineteenth Century. Others, like Ogden, agree, but think that his full recognition is still to come. The present volume adds to Bentham's stature, and scholars can look forward to much more material when the task of editing the unpublished manuscripts is completed. Certainly the art and science of legislation and judicial procedures are still in their infancy, and the Bentham papers should revive interest in the subject.

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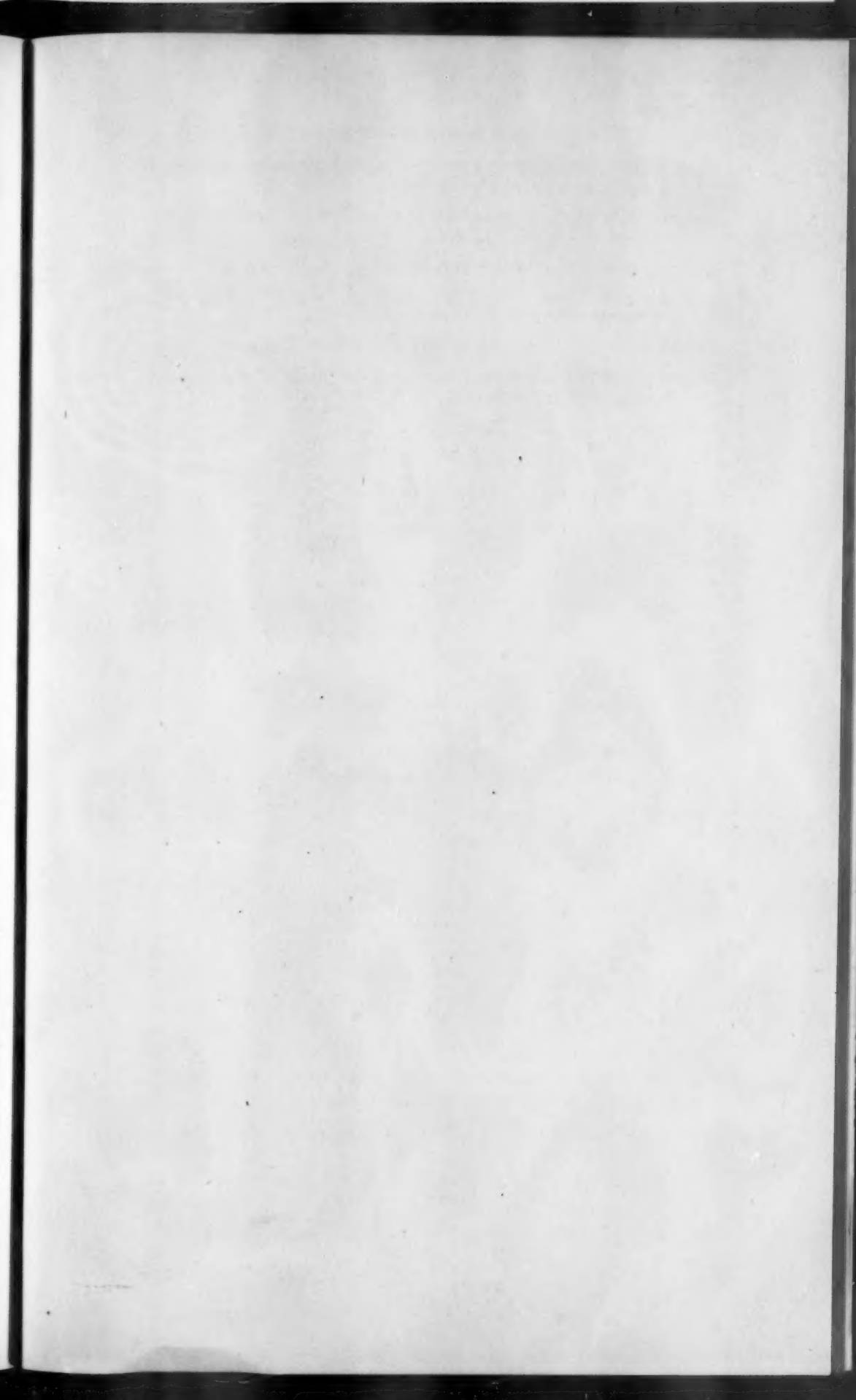
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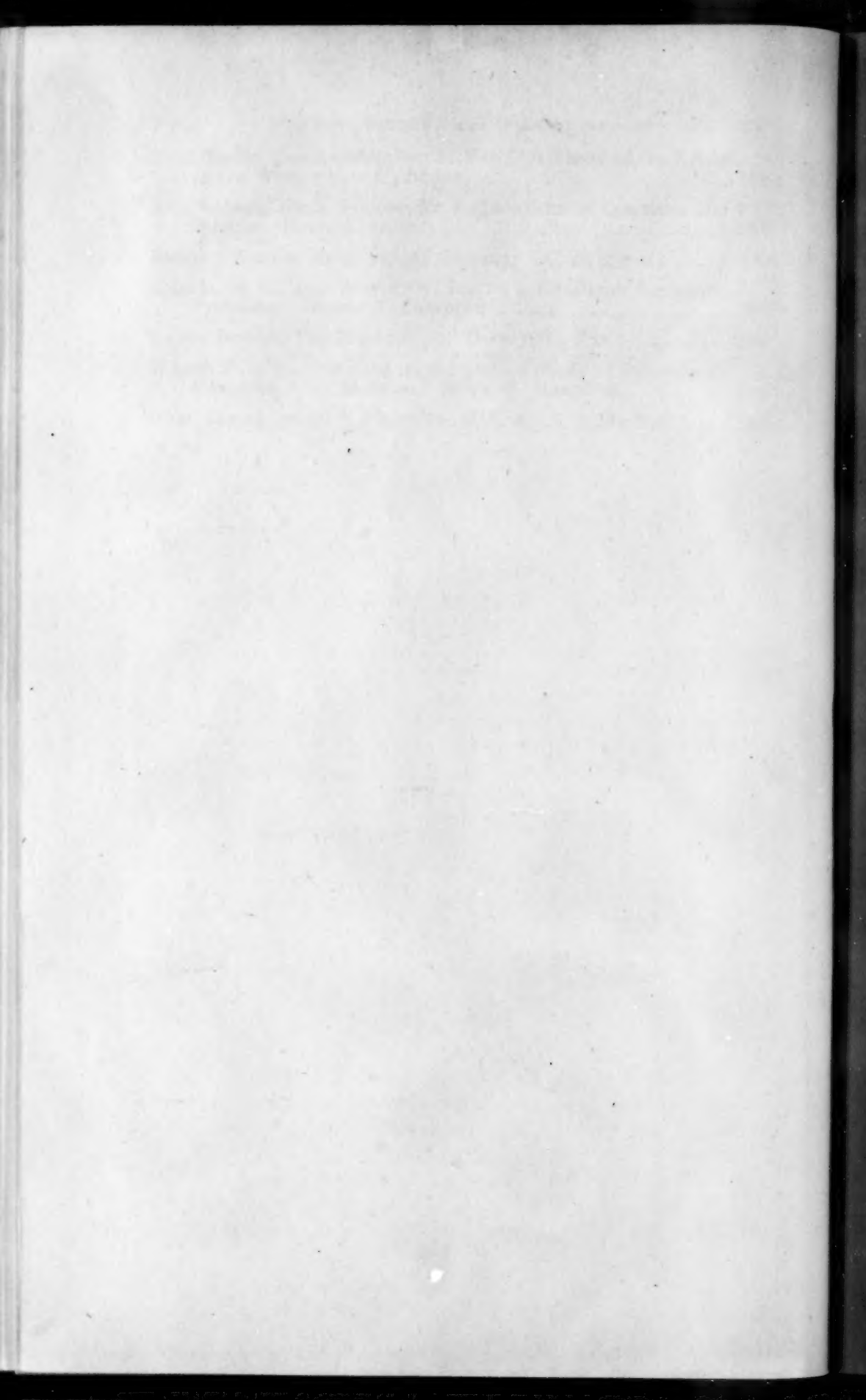
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